

EXHIBIT B

MetLife Auto & Home®
Dayton Customer Service Center
9797 Springboro Pike, Dayton, Ohio 45448

MetLife®

This is to certify that the attached insurance policy is a true and accurate representation of the insurance policy described below:

Named Insured(s): Beatrice D Bragg
Policy Type: Home
Policy Number: 1470006250
Issuing Insurance Company: Metropolitan Group Property and Casualty Insurance Company
As of Date: 12/03/2016

Signed by: Rhonda S Phelps

Notary: Kathy Richards

Date: 12/29/2016



Kathy Richards
Notary Public - Ohio
My Commission Expires June 18, 2018

MetLife Auto & Home®

**Metropolitan Group Property and Casualty Insurance Company
Homeowners Declarations**

09/27/2016
ST 21

<p>Policy Number: 1470006250 Policy Term: From 09/22/2016 to 09/22/2017, 12:01 A.M. Standard Time at the location of the property insured as stated in the policy.</p>	<p>Page 1 of 2 Change 02 Policy Change Effective Date: 09/27/2016 Bill To: Mortgagee</p>
<p>Named Insured: BEATRICE D BRAGG 16085 SPRENGER AVE EASTPOINTE MI 48021</p>	<p>First Mortgagee: Loan 705641066 OCWEN LOAN SERVICING, LLC ISAOA PO BOX 6723 SPRINGFIELD O OH 45501</p>

The residence premises covered by this policy is located at:
16085 SPRENGER AVE EASTPOINTE MI 48021

Basic Policy Coverages	Limits	Premiums
A - Dwelling	\$ 244,128	\$ 3,172.00
B - Private Structures	\$ 48,826	
C - Personal Property	\$ 170,890	
F - Personal Liability: Each Occurrence	\$ 300,000	\$ 16.00
G - Medical Payments to Others: Each Person	\$ 2,500	\$ 4.00
Loss of Use	\$ 61,032	

Causes of Property Loss

Building Property Loss Settlement Coverage A Plus

Personal Property Loss Settlement Replacement Cost on Contents

Prior Annual Premium: \$ 3,192.00 Current Annual Premium: \$ 3,192.00
Change in premium from 09/27/2016 through 09/22/2017: \$.00

Deductible(s)

\$1000 deductible applies to each loss.

Forms and Endorsements: HP1000 0902 HP2000 0902 HP3300 0902 HP4130 0902
HP5100 0105 HP6000 0902 HP7000 0902 HA01MI 0610 HA1001 0305

Discounts for the following have been included in the current annual premium:

- * 10% Protective Device Discount
 - * 5% Mortgagee Billed Discount Applies
 - * A Special Group Rate Applies

Rating Information

Territory 19
Composition Roof
Roof Age 02 Years

1 Family
Insured DOB 11/22/1974
Co-Insd DOB 08/27/1976

Masonry Veneer Construction
Built in 1954
Updated in 1996

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**Metropolitan Group Property and Casualty Insurance Company
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Messages

This Declarations Page does not supersede any cancellation notice issued prior to this change.

The cost of any coverage indicated as "Incl" is included in the Basic Policy Coverages premium amount.

This Policy Does Not Provide Coverage for Flood Damage.

Your market level is 48.

PFM level: FJ

Additional Insured/Mortgagee

First Mortgagee: Loan 705641066
OCWEN LOAN SERVICING, LLC ISAOA
PO BOX 6723
SPRINGFIELD O OH 45501

Updated Policy Information

First Mortgagee Info Changed

For service or claims, call 800-GET-MET8
or write to: MetLife Auto & Home
PO Box 6060
Scranton, PA 18505

H75-DL1-1

MetLife Auto & Home®

**Homeowners
Insurance Policy**

MetLife Auto & Home is a brand of Metropolitan Property and Casualty Insurance Company and its Affiliates, Warwick, RI

THE COMPANY NAMED IN THE DECLARATIONS
 (A Stock Insurance Company)
 Administrative Offices: Warwick, Rhode Island

HOMEOWNERS INSURANCE POLICY

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HOME

INSURANCE AGREEMENT AND DECLARATIONS

This insurance policy is a legal contract between **you** (the policyowner) and **us** (the Company named in the Declarations). It insures **you** and **your** property for the various kinds of insurance shown in the Declarations. The Declarations are an important part of this policy. By acceptance of this policy, **you** agree that the statements contained in the Declarations and in any application are **your** true and accurate representations. This policy is issued and renewed in reliance upon the truth of such representation. The terms of this policy impose joint obligations on all persons defined as **you**. This means that the responsibilities, acts and failures to act of a person defined as **you** will be binding upon another person defined as **you**.

This policy is issued and renewed in reliance upon payment of the required premium. The exact terms and conditions are explained in the following pages.

GENERAL DEFINITIONS

The following words and phrases appear repeatedly throughout this policy. They have a special meaning and are to be given that meaning whenever used in this policy or any endorsement which is part of this policy.

"Actual cash value" means the amount which it would cost to repair or replace covered property with material of like kind and quality, less allowance for physical deterioration and depreciation including obsolescence.

"Bodily injury" means any physical harm to the body including any resulting sickness or disease. This term includes required care, loss of services and death if it is a result of such physical harm, sickness or disease.

Bodily injury does not include:

1. any of the following which are transmitted by **you** to any other person: disease, bacteria, parasite, virus or other organism;
2. the exposure to any such disease, bacteria, parasite, virus or other organism by **you** to any other person;
3. the actual, alleged or threatened sexual molestation of a person; or
4. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless the direct result of physical harm.

"Business" or **"business purposes"** means:

1. any full or part time activity of any kind engaged in for economic gain, and the use of any part of any premises for such purposes; and
2. **your** property rented or held for rental by **you**. Rental of the **residence premises** is not considered business when:
 - A. it is rented occasionally for use as a residence;
 - B. a portion is rented to no more than two roomers or boarders; or
 - C. a portion is rented as a private garage.

"Computer" means a programmable electronic device that can store, retrieve and process data.

"Fungus and mold" means fungi, mold, mushrooms, bacteria, mildew, wet rot or dry rot and any mycotoxins, spores, scents or by-products produced by any of these.

"Insured premises" means:

1. the **residence premises** described in the Declarations;
2. any other premises specifically named in the Declarations and used by **you** as a residence;
3. any premises acquired by **you** during the term of this policy and used by **you** as a residence;
4. any premises used by **you** in connection with a premises described in 1., 2. or 3. above;
5. any premises not owned by **you** but where **you** may be temporarily residing;
6. any part of a premises occasionally rented to **you** for other than **business purposes**;
7. vacant land owned by or rented to **you**, other than farm land;

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8. land owned or rented by **you** on which a one or two family dwelling is being constructed for **your** use as a residence; and
9. individual or family cemetery plots or burial vaults owned by **you**.

"Media" means the storage device upon which software is stored. This includes blank cassette tapes or disks used solely with the **computer** or **peripheral device**.

"Medical expenses" means reasonable expenses for necessary medical, surgical, x-ray, chiropractic, ambulance, hospital, professional nursing, funeral and dental services, including prosthetic devices.

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions during the term of the policy.

"Peripheral device" means any unit used to operate with the **computer** system. This includes tape or disk drives or printers.

"Personal injury" means injury arising out of one or more of the following offenses:

1. false arrest, false imprisonment or wrongful detention;
2. malicious prosecution;
3. wrongful eviction from or wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or in behalf of its owner, landlord or lessor;
4. oral, written or representational publication of material that slanders or libels a person or organization;
5. oral statements or publication of writings or pictures that falsely disparages a person's or organization's goods, products or services; or
6. oral statements or publication of writings or pictures that violates a person's right of privacy.

"Property damage" means physical damage to or destruction of tangible property, including loss of use of this property.

"Purchased software" means information or a program that is stored on a storage device such as a magnetic tape or disk for use on a **computer**, and has been purchased from another party.

"Residence employee" means **your** employee while performing duties arising out of and in the course of employment by **you** in connection with the maintenance or use of the **residence premises**, including similar duties elsewhere, not in connection with **your business**. This includes an employee leased to **you** by a labor leasing firm under an agreement with **you**.

"Residence premises" means:

1. a one, two, three or four family dwelling used as a private residence by **you** and named in the Declarations. This includes the private structures and private approaches; or
2. if **your** dwelling is a condominium, cooperative or leased property, the premises reserved for **your** exclusive occupancy and use, used as a private residence by **you** and named in the Declarations. This includes the private structures and private approaches if these are reserved for **your** exclusive occupancy and use.

This does not include any portion of a premises used for **business purposes**.

"We," "us," and "our," mean the Company named in the Declarations.

"You" and **"your"** mean:

1. the person or persons named in the Declarations and if a resident of the same household:
 - A. the spouse of such person or persons;
 - B. the relatives of either; or
 - C. any other person under the age of twenty-one in the care of any of the above; and
2. under **SECTION II** only:
 - A. any other person or organization legally responsible for loss caused by animals or watercraft owned by **you**.
We will not cover any such person or organization using or having custody of animals or watercraft in any **business** or without **your** permission; and

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- B. with respect to the use of any vehicle, with **your** consent, to which this policy applies:
1. any person while engaged in employment by **you**; or
 2. other persons using the vehicle on the **insured premises**.

SECTION I - COVERAGES

COVERAGE A - DWELLING

1. **Dwelling Owners.** If **your** dwelling is a one, two, three or four family dwelling, **we** cover:
 - A. the dwelling owned by **you** on the **residence premises**; and
 - B. structures, equipment and accessories attached to the dwelling. Swimming pools not fully enclosed within the dwelling are covered under **COVERAGE B - PRIVATE STRUCTURES**.
2. **Condominium Owners.** If **your** dwelling is a condominium or cooperative, **we** cover:
 - A. the alterations, appliances, fixtures, and improvements and items of real property attached to **your** unit on the **residence premises**; and
 - B. property which is **your** insurance responsibility under a corporation or association of property owners agreement.
3. **Renters.** If **your** dwelling is leased property, **we** cover the alterations, appliances, fixtures and improvements made or acquired at **your** expense which are part of the building and contained within the **residence premises** occupied, but not owned, by **you**.

We cover building equipment, materials and supplies, to the extent of **your** financial interest, located on or adjacent to the **residence premises** for use in connection with maintenance, construction, alteration, or repair of the dwelling or private structures on the **residence premises**.

This coverage does not apply to land, including land on which the dwelling is located, or any costs required to replace, rebuild, stabilize or otherwise restore the land.

COVERAGE B - PRIVATE STRUCTURES

At the location of the **residence premises**:

1. **we** cover private structures owned by **you** and separated from the dwelling by clear space; or
 2. if **your** dwelling is a condominium, cooperative or leased property, **we** cover private structures:
 - A. owned solely by **you** and separated from the dwelling by clear space; or
 - B. available for **your** exclusive use and which are **your** insurance responsibility under a corporation or association of property owners agreement.
- Equipment, accessories, alterations, appliances, fixtures and improvements made or acquired at **your** expense which are attached to the private structure are also covered.

Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be private structures.

We do not cover private structures:

1. used or held for any **business** or commercial farming purposes; or
2. rented or held for rental to a person not a tenant of the dwelling, unless solely used as a private garage.

This coverage does not apply to land, including land on which the private structures are located, or any costs required to replace, rebuild, stabilize or otherwise restore the land.

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CONTENTS AND ADDITIONAL COVERAGES

COVERAGE C - PERSONAL PROPERTY

Personal Property Covered

We cover personal property owned or used by **you** while it is anywhere in the world.

After a loss and at **your** option, this coverage may be extended to include personal property owned by:

1. others while on that portion of the **residence premises** occupied by **you**; or
2. a guest or **residence employee**, while the property is in a residence occupied by **you**.

If a covered loss occurs at the **residence premises**, we will pay up to the limit of liability for personal property for the location shown in the Declarations where the personal property is damaged, destroyed or stolen.

If a covered loss occurs away from **your** residence, we will pay up to the limit of liability shown in the Declarations for the selected single location from which the payment is to be made.

If a covered loss occurs at **your** residence not covered by this insurance or another policy for personal property issued to **you** by Metropolitan Property and Casualty Insurance Company or any of its affiliates, we will pay up to 10% of the limit of liability shown in the Declarations for the selected single location from which the payment is to be made. Personal property in a newly acquired principal residence is not subject to this 10% limitation for the 30 days immediately after **you** begin to move **your** property there.

If a theft loss occurs at a commercial self-storage facility, we will pay up to 20% of the limit of liability shown in the Declarations for the selected single location from which the payment is to be made. This limit includes loss by misplacing or losing when Comprehensive Perils is shown in the Declarations.

We will select a **residence premises** for personal property from which the payment is to be made for covered loss based upon the most favorable combination of the following:

1. our limit of liability and deductible;
2. the basis of loss settlement under SECTION I - HOW WE SETTLE A PROPERTY LOSS; and
3. the perils covered under SECTION I - LOSSES WE COVER.

Regardless of the number of policies or insured locations providing **you** with personal property coverage, payment will be made based only on this selected location.

Special Limitations on Certain Property

We will not pay more than the following amount for each category in any one loss. These limitations do not increase the amount of insurance under COVERAGE C - PERSONAL PROPERTY.

1. **Money.** \$200 for coins and currency at face value, bullion, bank notes, medals and scrip. It also includes stored value cards for which there exists no traceable connection to **you** or for which no account is established in **your** name.
If Increased Coverage on Money is shown in the Declarations, then the \$200 limit is increased to the amount shown.
2. **Securities.** \$1500 for securities, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, stamps at face value, and tickets.
3. **Manuscripts.** \$1500 for manuscripts, including the cost to research, replace or restore the information from the lost or damaged material.
4. **Jewelry.** \$1500 for loss by theft of jewelry, watches, furs, and loose precious and semi-precious stones. This limit includes loss by misplacing or losing when Comprehensive Perils is shown in the Declarations.
5. **Watrcraft.** \$1500 for watrcraft, of all types, including their trailers, furnishings, equipment and outboard motors.
6. **Trailers.** \$1500 for trailers not used with watrcraft.
7. **Business Property.** \$1000 for any property on the **residence premises** used or intended for use in a **business**.

CONTENTS AND ADDITIONAL COVERAGES**HP2000 0902**

\$250 for any property away from the **residence premises** used or intended for use in a **business**. This includes merchandise held as samples or for sale or delivery after a sale. This does not include any **computer** and the **peripheral device, media or purchased software** used with it.

If Increased Coverage on Business Property is shown in the Declarations, then the \$1000 limit for property on the **residence premises** is increased to the amount shown and the limit of liability for loss away from the **residence premises** will be 20% of the amount shown.

8. **Computers.** \$5000 for **computers** and the **peripheral device(s), media and purchased software** used with them. The **media** will be covered only up to its retail value, if pre-programmed, or the retail value of the **media** in blank or unexposed form, if blank or self-programmed.
9. **Firearms.** \$2500 for loss by theft of firearms and related equipment. This limit includes loss by misplacing or losing when Comprehensive Perils is shown in the Declarations.
10. **Silverware and Goldware.** \$2500 for loss by theft of silverware and goldware. This limit includes loss by misplacing or losing when Comprehensive Perils is shown in the Declarations. If Increased Coverage on Silverware and Goldware is shown in the Declarations, then the \$2500 limit is increased to the amount shown.
11. **Coin, Currency and Stamp Collections.** \$1500 for numismatic and philatelic property for which the age, history, scarcity and condition contribute substantially to their value. Numismatic property includes coins and paper currency. Philatelic property includes postage stamps, post marks, post cards and stamped envelopes.
12. **Memorabilia.** \$5000 for memorabilia, souvenirs, and collector's items such as trading cards, comic books, autographed merchandise and similar articles for which the age, history, scarcity and condition contribute substantially to their value. If Increased Coverage on Memorabilia is shown in the Declarations, then the \$5000 limit is increased to the amount shown.
13. **Tools.** \$5000 for loss by theft of tools. This limit includes loss by misplacing or losing when Comprehensive Perils is shown in the Declarations. Tools used or intended for use in a **business** are limited by Business Property above. If Increased Coverage on Tools is shown in the Declarations, then the \$5000 limit is increased to the amount shown.
14. **Compact Discs.** \$1000 for loss by theft of tapes, wires or discs while in or upon a motorized land vehicle. This limit includes loss by misplacing or losing when Comprehensive Perils is shown in the Declarations.
15. **Electronic Apparatus.** \$1000 for loss to electronic apparatus, while in or upon a motorized land vehicle, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle while retaining its capability of being operated by other sources of power. Electronic apparatus includes accessories or antennas for use with any electronic apparatus. Electronic apparatus does not include items covered under Computers above.

Personal Property Not Covered

1. We do not cover articles separately described and specifically insured, regardless of the limit for which they are insured, by this or any other policy.
2. We do not cover animals, birds or fish.
3. We do not cover any motorized land vehicles and parts. We do not cover such property whether owned or operated by, or rented or loaned to **you**. This includes:
 - A. their equipment and accessories; or
 - B. electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motorized land vehicles. Electronic apparatus includes accessories or antennas for use with any electronic apparatus.

The exclusion of property described in items 3.A. and 3.B. above applies only while the property is in or upon the vehicle.

However, we cover unlicensed motorized land vehicles, not subject to registration, which are used solely to service and maintain residential property or designed for assisting the handicapped.

4. We do not cover aircraft and parts. Aircraft including self-propelled missiles and spacecraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
5. We do not cover property of roomers and boarders not related to **you**.
6. We do not cover property of tenants, whether related to **you** or not.
7. We do not cover property regularly rented or held for rental to others when on the **residence premises** except as granted under **SECTION I - ADDITIONAL COVERAGES** for **Landlord's Furnishings**.
8. We do not cover property rented or held for rental to others when not on the **residence premises**.

CONTENTS AND ADDITIONAL COVERAGES

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9. We do not cover business and personal data and records including such data stored in books of account, abstracts, drawings, card index systems and other records. This exclusion does not apply to property covered under SECTION I - ADDITIONAL COVERAGES for Data and Records.
10. We do not cover media for electronic data processing that cannot be replaced with other of like kind and quality on the current retail market.
11. We do not cover credit cards, electronic fund transfer cards or access devices except as granted under SECTION I - ADDITIONAL COVERAGES for Credit Card, Electronic Fund Transfer Card, Forgery and Counterfeit Money.

SECTION I - ADDITIONAL COVERAGES

The deductible will not apply to Section I - Additional Coverages, except where specified in the Additional Coverage.

1. **Loss of Use.** The limit of liability for Loss of Use is the total limit for the coverages in A. and B. below.
 - A. **Additional Living Expense / Fair Rental Value.** This applies upon loss to covered property resulting from a covered cause of loss. However, this does not apply for damages resulting from **fungus and mold**. When a covered property loss makes that part of the **residence premises** where **you** reside not fit to live in, we will pay, at **your** choice, either of the following. However, if the **residence premises** is not your principal place of residence, we will not provide the option under paragraph 2. below.
 1. **Additional Living Expense.** We will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living. Our liability will not exceed the smallest of:
 - a. payment for the shortest time to either repair or replace the **residence premises**. This period of time is not limited by the expiration of this policy;
 - b. payment for the shortest time for **your** household to settle elsewhere, if **you** permanently relocate. This period of time is not limited by the expiration of this policy; or
 - c. the limit of liability for Loss of Use as specified in the policy Declarations.
 2. **Fair Rental Value.** We will pay the fair rental value of that part of the **residence premises** where **you** reside less any expenses that do not continue while the premises is not fit to live in. Our liability will not exceed the smallest of:
 - a. payment for the shortest time to either repair or replace the **residence premises**. This period of time is not limited by the expiration of this policy;
 - b. payment for the shortest time for **your** household to settle elsewhere, if **you** permanently relocate. This period of time is not limited by the expiration of this policy; or
 - c. the limit of liability for Loss of Use as specified in the policy Declarations.
 - B. **Loss of Rental Income.** This applies upon loss to covered property resulting from a covered cause of loss. However, this does not apply for damages resulting from **fungus and mold**. We will pay **your** loss of rental income resulting from a covered property loss less charges and expenses which do not continue, while the part of the **residence premises** you rent to others, or hold for rental, is uninhabitable. Payment will be for the shortest time required to repair or replace the rented part. We do not cover the loss or expense due to cancellation of a lease or agreement.
 - C. **Prohibited Use.** We will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living and the loss of fair rental income when access to the **residence premises** is denied by civil authorities because of a loss to a neighboring premises caused by a peril we insure against. Payment is for a period of time not to exceed fourteen days. The period of time is not limited by expiration of this policy.
 2. **Debris Removal**
 - A. We will pay reasonable expenses **you** incur to remove:
 1. debris of covered property resulting from a cause of loss we cover for the damaged property; or
 2. ash, dust or particulate matter from a volcanic action that has caused direct loss to a building or covered personal property in a building.
- This expense is included within our limit of liability that applies for the covered property. If the amount

CONTENTS AND ADDITIONAL COVERAGES**HP2000 0902**

payable for the actual damage to the property plus the debris removal expense is more than **our** limit of liability for the covered property we will pay up to an additional 10% of that limit for debris removal.

- B. We will also pay up to \$500 for any one loss for the reasonable expenses **you** incur for the removal from your residence premises of:
 - 1. **your** tree(s) felled by windstorm, hail or the weight of ice, snow or sleet, provided the tree:
 - a. rests on or against the dwelling or building structure or caused damage to property covered under **COVERAGE A - DWELLING** or **COVERAGE B - PRIVATE STRUCTURES**;
 - b. blocks a driveway on the **residence premises** which prevents a motor vehicle from entering or leaving the **residence premises**; or
 - c. blocks a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling; or
 - 2. **your** neighbor's tree(s) felled by a loss caused by **SECTION I - BROAD NAMED PERILS** provided the tree:
 - a. caused damage to property covered under **COVERAGE A - DWELLING** or **COVERAGE B - PRIVATE STRUCTURES**;
 - b. blocks a driveway on the **residence premises** which prevents a motor vehicle from entering or leaving the **residence premises**; or
 - c. blocks a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling.
- 3. **Reasonable Repairs.** We will pay the reasonable expenses **you** incur for necessary immediate and temporary repairs to protect covered property from further loss following a loss we cover. This coverage does not increase the limit of liability applying to the property being repaired.
- 4. **Fire Department Charges.** We will pay up to \$750 for **your** liability assumed by contract or agreement when a fire department is called to save or protect the **residence premises** from an insured peril. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.
- 5. **Emergency Removal of Property.** We will pay for loss to covered property from any cause while being removed from a premises because of danger from a loss we cover. This coverage also applies to the property for up to 30 days from the date of removal. We will also pay for reasonable expenses **you** incur for the removal and return of the covered property. This coverage does not increase the limit of liability applying to the property being removed.
- 6. **Emergency Living Expense.** We will pay up to \$500 for the reasonable increase in living expenses **you** incur due to a power interruption to the **residence premises**. The power interruption must take place away from the **residence premises**. The cause for the power interruption must not be due to purposeful retraction of power by the utility or power grid authority resulting in a planned electrical brownout or blackout. Coverage does not begin until 48 hours after the power interruption begins.
- 7. **Refrigerated Contents.** We will pay up to \$1000 for the contents of a freezer or refrigerated food storage unit on the **residence premises** for loss due to a mechanical failure or power interruption. If mechanical failure or power interruption is known to **you**, all reasonable means must be used to protect the property from further damage or this coverage is void. The policy deductible does apply to this coverage. The cause for the power interruption must not be due to purposeful retraction of power by the utility or power grid authority resulting in a planned electrical brownout or blackout.
- 8. **Credit Card, Electronic Fund Transfer Card, Forgery and Counterfeit Money.** We will pay up to \$1000 for loss:
 - A. that **you** are legally required to pay because of the unauthorized use of any credit card or electronic fund transfer card issued to or registered in **your** name; and
 - B. to **you** caused by forgery or alteration of any check or negotiable instrument; and
 - C. to **you** through acceptance in good faith of counterfeit United States or Canadian paper currency.
 If Increased Coverage on Credit Card is shown in the Declarations, then the \$1000 limit is increased to the amount shown.

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We will not pay:

- A. more than the limit of liability stated above. All loss due to forgery or unauthorized use by any one person or in which that person is concerned is considered one loss;
- B. any loss caused by **your** dishonesty; or
- C. any loss resulting from **your business** activities.

Defense

- A. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.
 - B. If a suit is brought against **you** for liability under the Credit Card or Electronic Fund Transfer Card coverage, we will provide a defense at our expense and by counsel of our choice.
 - C. We have the option to defend **you** or **your** bank, at our expense, against any suit for the enforcement of payment under the Forgery coverage.
9. **Data and Records.** We will pay up to \$1500 for personal data and records when loss or damage is caused by SECTION I - BROAD NAMED PERILS or by computer virus. This includes the cost of blank books, cards or other blank material plus the cost of labor you incur to research, transcribe, copy, replace or restore the information from the lost or damaged material. Computer virus means an illegal or malicious entry into **your computer** which results in functions that distort, corrupt or manipulate the **computer, peripheral device or media**.
We do not cover **business** data and records.
10. **Lock Replacement.** We will pay the reasonable expenses to replace the exterior door lock or lock cylinder of the **residence premises** with a lock of like kind and quality when a key to the lock has been stolen during a theft of other personal property for which coverage is provided by this policy. You must report the theft to us and the police within 72 hours after discovery. This coverage is in addition to the limit of liability applying to the stolen property.
11. **Reward Coverage.** We will pay 10% of the amount of the loss to the **residence premises** up to \$5000 to anyone providing information leading to an arson conviction in connection with the loss.

We will pay anyone providing information leading to the recovery of personal property stolen from **you** 10% of the value of the recovered property up to \$5000.

We will pay 10% of the amount of the loss up to \$1000 to anyone providing information leading to the arrest and conviction of anyone who robs, steals or burglarizes **your** property.

These amounts shall not be increased regardless of the number of persons providing information. These coverages are in addition to the limit of liability applying to the damaged property.

12. **Trees, Shrubs, Plants and Lawns.** Coverage applies to direct loss caused by: fire or lightning, theft, explosion, aircraft, riot or civil commotion, vandalism or malicious mischief, vehicles not owned or operated by an occupant of the **residence premises**, or collapse of a building structure or any part of a building structure. This coverage is in addition to the limits of liability applying to Section I Property.

We will pay up to \$500 for any one tree, shrub or plant. We will pay up to 5% of the Coverage A limit of liability for loss to trees, shrubs, plants and lawns at the **residence premises**. If **your** dwelling is a condominium, cooperative or leased property, we will pay up to 5% of the Coverage C limit of liability.

If Increased Coverage on Trees, Plants and Shrubs is shown in the Declarations, we will pay up to \$1000 for any one tree, shrub or plant. We will pay up to 10% of the Coverage A limit of liability for loss to trees, shrubs and plants at the **residence premises** or 5% of the Coverage A limit for loss to lawns at the **residence premises**. If **your** dwelling is a condominium, cooperative or leased property, we will pay up to 10% of the Coverage C limit of liability for loss to trees, shrubs and plants or 5% of the Coverage C limit for loss to lawns at the **residence premises**.

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We do not cover trees, shrubs, plants and lawns grown for business purposes.

The policy deductible does apply to this coverage.

- 13. Loss Assessment.** **We** will pay up to \$1000 for **your** share of any loss assessment charged during the policy period against **you** by a corporation or association of property owners. This coverage applies only to loss assessments charged against **you** as owner or tenant of the **residence premises**.

If Increased Loss Assessment is shown in the Declarations, then the \$1000 limit is increased to the amount shown.

This only applies when the assessment is made as a result of each direct loss to the property, owned by all members collectively, caused by a peril covered under **SECTION I - LOSSES WE COVER** for **COVERAGE A - DWELLING**. This coverage does not include loss caused by:

- A. earthquake; or
- B. land shock waves or tremors before, during or after a volcanic eruption.

SPECIAL LIMIT - **We** will not pay more than \$1000 of **your** assessment that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.

Regardless of the number of assessments, the limit referenced above is the most **we** will pay with respect to any one loss.

This coverage shall be excess over any other insurance covering the corporation or association of property owners.

A \$250 deductible does apply to this coverage unless **you** also have a loss covered under Section I Coverage A, B or C from the same event.

This coverage is in addition to the limit of liability applying to the Coverage A, B or C property.

We do not cover assessments charged against **you** or a corporation or association of property owners by any governmental body.

- 14. Land.** If a structure covered under Coverage A or Coverage B sustains a covered loss, then **we** will pay up to \$10,000 for the cost **you** incur to replace, rebuild, stabilize or otherwise restore the land necessary to support that portion of the structure that **you** own. This coverage is in addition to the limit of liability applying to the damaged property.

We will not pay for any:

- A. loss caused by chemicals in the soil or resulting from the release of toxic materials or other pollutants or contaminants; or
- B. assessment charged against **you** by a corporation or association of property owners.

- 15. Volcanic Action.** **We** will pay for direct physical loss to a covered building or covered property in a building resulting from the eruption of a volcano when direct loss is caused by:

- A. volcanic blast or airborne shock waves;
- B. ash, dust or particulate matter; or
- C. lava flow.

One or more volcanic eruptions that occur within a 72-hour period shall be considered one volcanic eruption.

This coverage does not increase the limit of liability applying to the damaged property.

The policy deductible does apply to this coverage.

- 16. Collapse.** **We** will pay for sudden and accidental direct physical loss to covered property involving the entire

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collapse of a building or any part of a building caused only by one or more of the following:

- A. perils described in SECTION I - BROAD NAMED PERILS;
- B. hidden decay of the structure;
- C. hidden insect or hidden vermin damage;
- D. weight of contents, equipment, animals or people;
- E. weight of ice, snow, sleet or rain which collects on a roof; or
- F. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, septic field, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items B., C., D., E., and F. unless the loss is a direct result of the collapse of a building.

Collapse means an abrupt falling down or caving in of a building or any part of a building. Collapse does not include settling, cracking, sagging, bowing, bending, leaning, shrinking, bulging or expansion. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.

This coverage does not increase the limit of liability applying to the damaged covered property.

The policy deductible does apply to this coverage.

17. Inflation Protection. The limits of liability specified in the Declarations of this policy, or any amendments thereto, for Coverages A, B and C and Loss of Use are continuously adjusted in accordance with the applicable construction price index in use by us. This index will then be multiplied by the limit of liability for Coverages A, B and C and Loss of Use separately.

18. Landlord's Furnishings. We will pay up to \$2500 for your appliances, carpeting and other household furnishings in each apartment on the residence premises regularly rented or held for rental to others by you for loss caused by SECTION I - BROAD NAMED PERILS other than Theft. The \$2500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss. This coverage does not increase the limit of liability applying to the damaged property.

19. Fungus and Mold Remediation.

We will pay up to a limit of \$5000 for remediation treatment and remediation testing as necessary to complete the repair or replacement of the damaged property. This coverage applies when property covered under Coverages A, B or C is damaged by a covered water loss. Furthermore, this coverage applies only if all reasonable means were used to save and preserve the property from further damage at and after the time of the covered water loss. This limit includes:

- a. the cost to tear out and replace any part of the covered property necessary to gain access to any organisms listed under remediation treatment; and
- b. if the need for remediation treatment or remediation testing makes the residence premises uninhabitable, the reasonable increase in living expenses and your loss of rental income. Payment will be for the shortest time required to perform the remediation treatment or remediation testing.

Remediation treatment means the reasonable and necessary treatment, removal or disposal of fungus and mold.

Remediation testing includes any testing or investigation of either property or air to detect, measure, evaluate or confirm the absence, presence or level of fungus and mold whether performed prior to, during or after remediation treatment.

If more than one residence premises is insured under this policy, this is the most we will pay, for any one loss at any one covered location, for the total of all loss or costs payable under this Additional Coverage. This applies regardless of the number of claims made under this policy.

If Increased Coverage on Fungus and Mold Remediation is shown in the Declarations, then the \$5000 limit is increased to the amount shown.

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SECTION I - LOSSES WE COVER (SPECIAL PERILS)

LOSS DEDUCTIBLE CLAUSE

We will pay only when a loss exceeds the deductible amount shown in the Declarations. We will pay only that part of the loss over such stated deductible.

COVERAGE A - DWELLING AND COVERAGE B - PRIVATE STRUCTURES

We will pay for sudden and accidental direct physical loss or damage to the property described in Coverages A and B, except as excluded in SECTION I - LOSSES WE DO NOT COVER.

COVERAGE C - PERSONAL PROPERTY

We will pay for sudden and accidental direct physical loss or damage to the property described in Coverage C when loss or damage is caused by SECTION I - BROAD NAMED PERILS, except as excluded in SECTION I - LOSSES WE DO NOT COVER.

SECTION I - BROAD NAMED PERILS

Whenever Broad Named Perils is referred to in this policy, the following causes of loss will apply for sudden and accidental direct physical loss.

Under the named perils listed below, we do not cover loss or damage, no matter how caused, to the property which results directly or indirectly from **fungus and mold**. There is no coverage for loss which, in whole or part, arises out of, is aggravated by, contributed to by acts or omissions of persons, or results from **fungus and mold**. This exclusion applies regardless of whether **fungus and mold** arises from any other cause of loss, including but not limited to a loss involving water, water damage or discharge, which may be otherwise covered by this policy, except as granted under SECTION I - ADDITIONAL COVERAGES for Fungus and Mold Remediation.

1. **Fire or Lightning**
2. **Windstorm or Hail**

We do not pay for loss to the interior of a building or to personal property inside, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the opening.

We do not pay for loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed building. We do cover canoes and rowboats on the **residence premises**.

3. **Explosion**

4. **Riot or Civil Commotion**

5. **Aircraft, including self-propelled missiles and spacecraft.**

6. **Vehicles**

7. **Smoke**, if the loss is sudden and accidental including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

We do not pay for loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism or Malicious Mischief**

We do not pay for any loss caused by any act committed in the course of the vandalism or malicious mischief including any ensuing loss or fire if the residence was vacant for more than 30 consecutive days immediately prior to the loss. A **residence premises** being constructed is not considered vacant.

9. **Theft**, or attempted theft, including loss of property from a known place when it is likely that a theft has occurred.

We do not pay for loss caused by theft:

A. if committed by **you** or by any person regularly residing on the **residence premises**;

B. in or from a dwelling under construction or materials and supplies for use in construction, until the dwelling is completed and occupied; or

C. from any part of the **residence premises** rented by **you** to others.

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We do not pay for loss caused by theft that occurs away from the **residence premises** of:

- A. property while in any other residence owned, rented to or occupied by **you**, except while **you** are temporarily residing there. Coverage is provided for a student's property while at a premises away from home if the student has been there at any time during the 45 days immediately preceding the loss;
- B. watercraft of all types including its furnishings, equipment and outboard motors; or
- C. trailers and campers.

10. Falling Objects

We cover loss to personal property inside a building only if the falling object first damages the exterior walls or roof. Damage to the falling object itself is not covered.

11. Weight of Ice, Snow or Sleet

which causes damage to a building or to property contained in a building.

We do not cover loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.

12. Discharge or Overflow of Water or Steam

from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a domestic appliance. The loss must be sudden and accidental. With regard to **your** property covered under Coverage A or Coverage B, we also will pay to tear out and replace any part of a building or other structure on the **residence premises** but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the **residence premises**.

We do not pay for loss:

- A. to the system or appliance from which the water or steam escapes;
- B. caused by or resulting from freezing under this peril;
- C. caused by water which backs up through sewers or drains;
- D. caused by water which overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from the foundation area;
- E. caused by water which overflows from a roof drain, gutter, downspout or similar fixtures or equipment;
- F. to a building caused by continuous or repeated seepage or leakage over a period of time including any resulting deterioration, corrosion, rust, dry rot, bacteria, mold, fungus or wet rot; or
- G. on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

13. Rupturing, Cracking, Burning or Bulging

of a steam or hot water heating system, an air-conditioning or automatic fire protective sprinkler system, or an appliance for heating water. The loss must be sudden and accidental.

We do not pay for loss caused by or resulting from freezing under this peril.

14. Freezing

of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a domestic appliance.

We do not pay for loss on the **residence premises** while the dwelling is unoccupied, unless **you** have used reasonable care to maintain heat in the building or have shut off the water supply and drained the water from all plumbing and appliances. However, if the building is protected by an automatic fire protective sprinkler system, **you** must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply. For this provision, a plumbing system or domestic appliance does not include a roof drain, gutter, downspout, or similar fixtures or equipment.

15. Sudden and Accidental Damage from Electrical Currents Artificially Generated

to electrical appliances, devices, fixtures and wiring.

16. Breakage of Glass or Safety Glazing Material

We will pay for direct physical loss to covered property caused by the breakage of glass or safety glazing material which is part of a building, window or door on the **residence premises**.

We do not pay for loss if the dwelling was vacant for more than 30 consecutive days immediately prior to the loss. A dwelling being constructed is not considered vacant.

SECTION I - LOSSES WE DO NOT COVER (SPECIAL PERILS)

1. We do not insure under any Section I coverage for any loss which would not have happened in the absence of one or more of the following excluded events. We do not insure for any such loss regardless of:
 - (a) the cause of the excluded event;

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- (b) other causes of the loss; or
- (c) whether such causes acted at the same time or in any other sequence with the excluded event to produce or contribute to the loss.

These exclusions apply whether or not the excluded event results in widespread damage or affects a substantial area. The excluded events are listed below.

A. **Intentional Loss**, meaning any loss arising out of any intentional or criminal act committed:

- 1. by **you** or at **your** direction; and
- 2. with the intent to cause a loss.

This exclusion applies regardless of whether **you** are actually charged with or convicted of a crime.

In the event of such loss, no one defined as **you** or **your** is entitled to coverage, even people defined as **you** or **your** who did not commit or conspire to commit the act causing the loss.

B. **Pollution**, meaning loss or damage to property which results directly or indirectly from:

- 1. discharge, dispersal, release or escape of pollutants or contaminants, including damage caused by chemicals in the soil and loss resulting from the release of toxic materials or other pollutants or contaminants, no matter how caused;
- 2. discharge, dispersal, release or escape of fuel oil and other petroleum products; or
- 3. smog; smoke from agricultural smudging or industrial operations.

However, **we** pay for direct loss that ensues after pollution. **We** pay for such ensuing loss only if caused by fire, smoke that is not from agricultural smudging or industrial operations, explosion, glass breakage, or water damage not specifically excluded in this policy. If a covered water loss follows, **we** will pay the cost of tearing out and replacing any part of the building necessary to repair the plumbing or appliance, but **we** do not cover loss to the plumbing or appliance from which the water escaped.

C. **Lead Exposure**, meaning loss or damage to the **residence premises** or any property owned, rented or controlled by **you** (including private structures and private approaches), which result directly or indirectly from the presence of lead. **We** do not pay for any costs or expenses incurred or loss arising out of:

- 1. the abatement, neutralization, cleanup, removal, repair, refurbishing or treatment of:
 - a. lead;
 - b. property containing lead;
 - c. soil, or earth containing lead;
 - d. water, pipes or plumbing containing lead;
 - e. paint, putty, dust or plaster containing lead; or
 - f. any other product or substance containing lead; or
- 2. any government directive, law, regulation, request, requirement or mandate to remove, clean up, test, monitor, abate, contain, neutralize or treat:
 - a. lead;
 - b. property containing lead;
 - c. soil, or earth containing lead;
 - d. water, pipes or plumbing containing lead;
 - e. paint, putty, dust or plaster containing lead; or
 - f. any other product or substance containing lead.

D. **Water Damage**, meaning any loss caused by, resulting from, contributed to or aggravated by:

- 1. flood, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind;
- 2. water or water-borne material which backs up through sewers or drains, or which overflows or is discharged from a sump pump, sump pump well or other system designed to remove subsurface water which is drained from the foundation area; or
- 3. water or water-borne material below the surface of the ground, including water which exerts pressure on, or flows, seeps or leaks through any part of a building, sidewalk, foundation, driveway, swimming pool or other structure or water which causes earth movement.

This exclusion applies whether or not the water damage is caused by or results from human or animal forces

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or any act of nature.

However, we pay for direct loss that ensues after water damage if caused by fire, theft or explosion and then we pay for only the ensuing loss.

- E. **Earth Movement**, meaning any loss caused by, resulting from, contributed to or aggravated by events that include, but are not limited to:
1. earthquake and earthquake aftershocks;
 2. volcanic eruption and volcanic effusion;
 3. sinkhole;
 4. subsidence;
 5. mudslide including landslide, mudflow, debris flow, avalanche or sediment;
 6. erosion or excavation collapse;
 7. the sinking, rising, shifting, expanding, bulging, cracking, settling or contracting of the earth, soil or land; and
 8. volcanic explosion and lava flow, except as granted under **SECTION I - ADDITIONAL COVERAGES** for **Volcanic Action**.

This exclusion applies whether or not the earth movement is combined with water or caused by or results from human or animal forces or any act of nature.

However, we pay for direct loss that ensues after earth movement if caused by fire, explosion other than explosion of a volcano, theft, or breakage of glass or safety glazing material and then we pay for only the ensuing loss.

- F. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, demolition or zoning of buildings, unless specifically provided under this policy.
- G. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the **residence premises**, except as granted under **SECTION I - ADDITIONAL COVERAGES** for **Emergency Living Expense**. If a loss we pay for ensues on the **residence premises**, we pay for only the ensuing loss.
- H. **Neglect by you** to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by a peril insured against.
- I. **Nuclear Action**, meaning nuclear reaction, discharge, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by nuclear action is not considered a loss caused by fire, explosion or smoke.

However, we pay for direct loss that ensues after nuclear action if caused by fire and then we pay for only the ensuing loss.

- J. **Governmental Action**, including war, undeclared war, civil war, rebellion, insurrection, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Governmental Action also includes loss arising out of risks of contraband or illegal transportation or trade and loss due to order of any civil authority except:
1. conditions we insure under **Prohibited Use** of **SECTION I - ADDITIONAL COVERAGES** for **Loss of Use**; or
 2. acts of destruction during a fire to prevent it from spreading as long as the fire was not caused by any peril excluded by this policy.

- K. **Collapse**, except as granted under **SECTION I - ADDITIONAL COVERAGES** for Collapse.
2. We do not insure under any coverage for any loss consisting of one or more of the items below. However, we pay for any ensuing loss unless the ensuing loss is itself excluded by any other provision in this policy. Further, we do not insure for loss described in exclusion 1. above and exclusion 3. below regardless of whether one or

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more of the items below (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss. The items are:

- A. conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent or without fault;
- B. defective, inadequate, faulty or unsound:
 - 1. planning, zoning, development, surveying, siting;
 - 2. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - 3. materials used in repair, construction, renovation or remodeling; or
 - 4. maintenance;
 of any property whether on or off the **residence premises**. Property includes land, structures or improvements of any kind; and
- C. weather conditions.

However, this exclusion only applies if weather conditions contribute in any way with an excluded event or cause of loss to produce the loss.

- 3. We do not cover loss or damage to the property described in Coverage A and Coverage B which results directly or indirectly from any of the following:

- A. wear and tear, marring, scratching, aging, deterioration, corrosion, rust, mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
- B. **fungus and mold.** There is no coverage for loss which, in whole or part, arises out of, is aggravated by, contributed to by acts or omissions of persons, or results from **fungus and mold**. This exclusion applies regardless of whether **fungus and mold** arises from any other cause of loss, including but not limited to a loss involving water, water damage or discharge, which may be otherwise covered by this policy, except as granted under **SECTION I - ADDITIONAL COVERAGES** for **Fungus and Mold Remediation**;
- C. settling, cracking, shrinking, bulging, or expansion of bulkheads, pavements, patios, foundations, footings, supports, walls, floors, roofs, or ceilings;
- D. animals owned or kept by **you** or any person regularly residing on the premises;
- E. birds, vermin, rodents or insects;
- F. theft in or from the **residence premises** while under construction, or of materials and supplies for use in the construction, until the **residence premises** is completed and occupied;
- G. freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or of a domestic appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion does not apply if **you** have used reasonable care to maintain heat in the building or if **you** shut off the water supply and drained the plumbing and appliance of water. However, if the building is protected by an automatic fire protective sprinkler system, **you** must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For this provision, a plumbing system or domestic appliance does not include a roof drain, gutter, downspout, or similar fixtures or equipment;

- H. freezing, thawing or pressure or weight of water, snow or ice, whether driven by wind or not, to a swimming pool including filtration, heating and circulation systems, fence, driveway, roadway, walkway, pavement, patio, foundation, footing, retaining wall, bulkhead, pier, wharf or dock;

- I. pressure from or presence of tree, shrub or plant roots;

- J. vandalism or malicious mischief or breakage of glass and safety glazing materials, and any loss caused by any act committed in the course of the vandalism or malicious mischief including any ensuing loss or fire, if the residence was vacant for more than 30 consecutive days immediately prior to the loss. A **residence**

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premises being constructed is not considered vacant; or

- K. seepage, meaning continuous or repeated seepage or leakage of water or steam over a period of time from within:
 1. a heating system;
 2. an air conditioning system;
 3. an automatic fire protective sprinkler system;
 4. a domestic appliance; or
 5. a plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors.

We pay for any direct loss that follows items A. through H. to property described in Coverages A and B not otherwise excluded or excepted in this policy and then we pay for only the ensuing loss. If a covered water loss follows, we will pay the cost of tearing out and replacing any part of the building necessary to repair the plumbing or appliance, but we do not cover loss to the plumbing or appliance from which the water escaped.

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PROPERTY LOSS SETTLEMENT

SECTION I - HOW WE SETTLE A PROPERTY LOSS (ACV Roof Loss - Wind or Hail)

1. Coverage A - Dwelling and Coverage B - Private Structures

Covered property losses are settled as follows.

- A. **Actual Cash Value Settlement.** Subject to the applicable deductible, we will pay the **actual cash value** at the time of the loss for the damaged property, but no more than the lesser of:
- the amount required to repair or replace the damaged property with property of like kind and quality; or
 - the limit of liability applying to the property.

- Actual Cash Value Settlement applies to the following types of property:
 - aerials, antennas and awnings;
 - cesspools, septic tanks and septic fields;
 - outdoor equipment and swimming pools;
 - structures that are not buildings;
 - satellite dishes, solar panels, outdoor well pumps, and outdoor heating and cooling units;
 - wall-to-wall carpeting unless **Replacement Cost on Contents** for COVERAGE C - PERSONAL PROPERTY applies;
 - household appliances unless **Replacement Cost on Contents** for COVERAGE C - PERSONAL PROPERTY applies; and
 - roof surfacing of building structures if a loss to the roof surfacing is caused by the perils of wind or hail.

The provisions of paragraphs A.2., B., C. and D. below do not apply to the above types of property.

- If **you** repair or replace the damaged or destroyed property, **you** may make further claim for any additional payments for **Replacement Cost Settlement** provided:
 - you** have not reached the applicable limit of liability;
 - you** still have an insurable interest in the property;
 - you** notify **us** within 180 days after the date of **actual cash value** payment of **your** decision to repair or replace the damaged or destroyed dwelling or private structure;
 - you** notify **us** within 30 days after the repair or replacement has been completed; and
 - the date of completion is within one year from the date of **actual cash value** payment.

The foregoing time limitations shall apply unless **you** or **your** representative submits written proof providing clear and reasonable justification for the failure to comply with such time limitation.

- B. **Replacement Cost Settlement.** If at the time of loss the amount of insurance applicable is determined to be 80% or more of the full current replacement cost, we will pay the full cost of repair or replacement, subject to the applicable deductible, without deduction for depreciation subject to the following:

- we** will not be liable unless and until actual repair or replacement is complete; and
 - our** liability will not exceed the smallest of:
 - the limit of liability applicable to the building;
 - the cost to repair or replace the damaged part(s) of the building with materials of like kind and quality on the same premises for the same occupancy and use; or
 - the amount actually and necessarily spent to repair or replace the damaged part(s) of the building with materials of like kind and quality on the same premises for the same occupancy and use.
- If **you** rebuild **your** building or purchase an existing building at an address other than shown in the Declarations, the replacement will not increase the amount payable under Replacement Cost Settlement. The amount payable does not include the value of any land associated with the replacement building(s).

If at the time of loss the amount of insurance applicable is determined to be less than 80% of the full current replacement cost and neither **Extended Limits** or **Coverage A Plus** applies, we will pay, subject to the

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applicable deductible, the **actual cash value** or the amount determined from the **Coincurrence Provision**, whichever is the highest. **We** will pay no more than the limit of liability applicable to the building.

In determining the amount of insurance required to equal 80% of the full current replacement cost, the value of foundations, underground footings, underground pipes, underground wiring, and underground drains will be disregarded.

Coincurrence Provision. This provision applies to buildings covered under **COVERAGE A - DWELLING** and **COVERAGE B - PRIVATE STRUCTURES** when the amount of insurance shown in the Declarations is less than the required amount of 80% of the full current replacement cost value of the building. **We** compare the amount of insurance purchased to the required amount of insurance and apply that percentage to the loss after application of the deductible. The resulting amount is the most **we** will pay. **We** will not pay for the remainder of the loss.

C. Extended Limits

This provision applies when Extended Limits is shown in the Declarations.

For the dwelling under Coverage A, we will pay the **Actual Cash Value Settlement** or **Replacement Cost Settlement** as provided in paragraphs 1.A. and 1.B. above even if that cost exceeds the Coverage A limit of liability shown in the Declarations. However, **we** will pay no more than 125% of the Coverage A limit of liability shown in the Declarations. Payment under this provision will not include any increased costs of loss or damage resulting from the requirement of, or enforcement of, any ordinance or law regulating the construction, repair, demolition or zoning of the dwelling under Coverage A unless specifically provided under this policy. The following requirements apply:

1. **you** obtained Extended Limits by insuring **your** dwelling to 100% of its replacement cost based on the accuracy of information **you** furnished in the completion of **our** home replacement cost estimator or upon an inspection by **us** of the **residence premises**;
2. **you** have kept **your** insurance continuously without lapse and have accepted the Inflation Protection provision in this policy including each annual adjustment in the **COVERAGE A - DWELLING** limit of liability automatically applied to **your** policy at each renewal;
3. **you** must have notified **us** within 90 days of the start of any additions or other physical changes which increase the replacement value of **your residence premises** by 10% of the Coverage A limit of liability or \$5000, whichever is greater; and

D. Coverage A Plus

This provision applies when Coverage A Plus is shown in the Declarations.

For the dwelling under Coverage A, we will pay the **Actual Cash Value Settlement** or **Replacement Cost Settlement** as provided in paragraphs 1.A. and 1.B. above even if that cost exceeds the limit of liability shown in the Declarations. Payment under this provision will not include any increased costs of loss or damage resulting from the requirement of, or enforcement of, any ordinance or law regulating the construction, repair, demolition or zoning of the dwelling under Coverage A unless specifically provided under this policy. The following requirements apply:

1. **you** obtained Coverage A Plus by insuring **your** dwelling to 100% of its replacement cost based on the accuracy of information **you** furnished in the completion of **our** home replacement cost estimator or upon an inspection by **us** of the **residence premises**;
2. **you** have kept **your** insurance continuously without lapse and have accepted the Inflation Protection provision in this policy including each annual adjustment in the **COVERAGE A - DWELLING** limit of liability automatically applied to **your** policy at each renewal; and
3. **you** must have notified **us** within 90 days of the start of any additions or other physical changes which increase the replacement value of **your residence premises** by 10% of the Coverage A limit of liability or \$5000, whichever is greater.

E. We will pay no more than the \$10,000 limit of liability on Land as provided in SECTION I - ADDITIONAL COVERAGES.**2. Coverage C - Personal Property**

Covered property losses are settled as follows.

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A. **Actual Cash Value Settlement.** Subject to the applicable deductible, we will pay the actual cash value at the time of the loss for the damaged property, but no more than the lesser of:

1. the amount required to repair or replace the damaged property with property of like kind and quality; or
2. the limit of liability applying to the property.

B. **Replacement Cost on Contents**

This provision applies when Replacement Cost on Contents is shown in the Declarations.

If you repair or replace the damaged or destroyed property, we will pay the full cost of repair or replacement, less the applicable deductible, without deduction for depreciation.

1. This settlement applies to:

- a. carpeting, including wall-to-wall carpeting under COVERAGE A - DWELLING or COVERAGE B - PRIVATE STRUCTURES;
- b. household appliances including built-in appliances under COVERAGE A - DWELLING or COVERAGE B - PRIVATE STRUCTURES;
- c. personal property covered under COVERAGE C - PERSONAL PROPERTY other than the types listed under 4. below; and
- d. articles or classes of property separately described and specifically insured in this policy.

2. Our liability for any loss shall not exceed the smallest of the following amounts for any one loss:

- a. the cost to replace the property with a similar property of like kind and quality;
- b. the full cost of repair to restore the property to its original condition;
- c. the limit of liability for Coverage C shown in the Declarations subject to the **Special Limitations on Certain Property** under SECTION I - COVERAGES, COVERAGE C - PERSONAL PROPERTY; or
- d. the limit of liability that applies to any item separately described and specifically insured under this policy.

3. If you decide not to repair, restore or replace the damaged or stolen property, settlement will be on an **actual cash value** basis. You may make any claim within 180 days after the date of **actual cash value** payment for any additional payment on a replacement cost basis if you repair, restore or replace the damaged or stolen property.

4. Replacement Cost on Contents does not apply to the following types of personal property:

- a. antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced with new articles;
- b. articles for which the age, history, scarcity or condition contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs, and collectors items such as trading cards, comic books, and autographed merchandise;
- c. property which is obsolete or unusable because of its age or condition prior to the loss, or not being used for the purpose for which it was originally intended;
- d. articles separately described and specifically insured in any other policy;
- e. watercraft, including their trailers, furnishings, equipment and outboard motors;
- f. motorized land vehicles principally designed for recreational use; and
- g. when classified under COVERAGE C - PERSONAL PROPERTY:
 - 1) aerials, antennas, awnings;
 - 2) outdoor equipment and swimming pools;
 - 3) satellite dishes, solar panels, outdoor well pumps, and outdoor heating and cooling units; or
 - 4) structures, other than building structures.

The above items are subject to Actual Cash Value Settlement.

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PROPERTY CONDITIONS

SECTION I - CONDITIONS

1. **Insurable Interest and Limit of Liability.** We will not pay any person or organization an amount greater than its insurable interest in the property covered at the time of the loss.
Regardless of the number of persons or organizations who qualify for coverage, we will not pay more than the applicable limit of liability.
2. **What You Must Do After a Loss.** We have no obligation to provide coverage under this policy if **you** or your representative fail to comply with the following duties.
 - A. Immediately notify **us** or **our** representative.
In case of theft, promptly notify the police.
In case of loss under the credit card or electronic fund transfer card coverage, promptly notify the issuing company or bank.
 - B. Protect the property from further damage, make reasonable and necessary repairs required to protect the property and keep a record of necessary expenditures.
 - C. Cooperate with **us** in the investigation of a claim.
 - D. Prepare an inventory of damaged or stolen personal property showing, in detail, the quantity, age, description, **actual cash value** and amount of loss claimed for each item. Attach to the inventory all bills and other documents that substantiate the figures in the inventory.
 - E. At any reasonable time and place **we** designate, and as often as **we** reasonably require:
 1. show **us** the damaged property;
 2. submit to questions concerning the loss under oath while not in the presence of any other person defined as "**you**", and sign and swear to the answers; and
 3. allow **us** to examine and copy or abstract any records and documents **we** request.
 - F. Within 60 days after **our** request, **you** must file with **us** a signed and sworn proof of loss, stating to the best of **your** knowledge:
 1. the time and cause of loss;
 2. **your** interest and that of any other person in the property involved and all encumbrances on the property;
 3. a description of each item, including all information contained in the inventory described above;
 4. a description of other insurance policies that might apply to the loss;
 5. any changes in ownership, use, possession or location of the property that took place since this policy was issued;
 6. if loss is to a building, who occupied it at the time of loss, what the purposes of such occupancy were, and whether the building stood on leased ground;
 7. specifications of any damaged building, fixture or machinery and detailed estimates for repair of the damage;
 8. receipts for additional living expenses **you** incur and records supporting the fair rental value; and
 9. evidence or affidavit supporting a claim under **SECTION I - ADDITIONAL COVERAGES** for Credit Card, Electronic Fund Transfer Card, Forgery and Counterfeit Money, stating the amount and cause of loss.
3. **Our Settlement Options.** We will adjust all losses with **you**. We will pay **you** unless another payee is named in the policy. We will pay within 60 days after the amount of loss is agreed upon. This amount may be determined by an agreement between **you** and **us**, an appraisal award or entry of a final judgment, subject to **SECTION I - HOW WE SETTLE A PROPERTY LOSS**.

We have the option of taking all or part of the property at the agreed or appraised value. We have the option to repair, rebuild or replace the damaged or destroyed property with property of like kind and quality within a reasonable time. We must give **you** notice of **our** intention within 30 days after we receive **your** signed, sworn proof of loss.

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4. **Loss.** Any loss we pay under this policy does not reduce the limit of liability.
5. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - A. repair or replace any part to restore the pair or set to its value before the loss; or
 - B. pay the difference between **actual cash value** of the property before and after the loss.
6. **Abandoned Property.** We are not obligated to accept any property or responsibility for any property abandoned by **you**.
7. **Appraisal.** If you and we fail to agree on the amount of loss, either **you** or we can make a written demand for an appraisal of the loss. Each party will select a competent appraiser and notify the other within 20 days of the appraiser's identity. The two appraisers will select a competent and impartial umpire. If the two appraisers are unable to select an umpire within 15 days, **you** or we can request that the choice of an umpire be made by a judge of a court of record in the state where the **residence premises** is located.

The appraisers will separately set the amount of loss determining the full replacement cost and **actual cash value** for each item as needed. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. The written award by two of these three people for any item will set the amount of loss and is binding on **you** and **us** when filed with **us**.

You will pay the appraiser selected by **you**. **We** will pay the appraiser selected by **us**. You and we will split the other expenses of appraisal and the fee of the umpire.

8. **Rights and Duties of Mortgagee.** If a mortgagee is named in the Declarations, any payment for loss under Coverage A or B will be made to the mortgagee to the extent of its interest under all present and future mortgages. If more than one mortgagee is named, payment will be made in the order of priority of the mortgagees.

The interest of the mortgagee under this policy will not be affected by any action or neglect by **you**. The interest of the mortgagee under this policy will terminate unless it:

- A. pays upon demand any premium due if the owner or mortgagor fails to do so;
- B. notifies **us** of any change of ownership or increase in hazard of which the mortgagee has knowledge; and
- C. pays upon demand the premium for any such increase in hazard.

We will notify the mortgagee if **you** fail to give **us** proof of loss. Within 60 days after receiving such notice, the mortgagee must give **us** proof of loss. Policy conditions relating to appraisal, time of payment and time of bringing lawsuit apply to the mortgagee.

We will give the mortgagee not less than 10 days notice of cancellation or nonrenewal of the insurance protecting its interest.

If **we** pay the mortgagee for any loss and deny payment to **you**, **we** will be subrogated to the extent of **our** payment to all the rights that the mortgagee has under the mortgage on the property. At **our** option, **we** may pay to the mortgagee the whole principal on the mortgage and any interest due. In this event, **we** may receive a full assignment and transfer of the mortgage and all securities held as collateral for the mortgage debt. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

Our cancellation of the policy also applies to agreements under this condition.

As used in this condition, the term "mortgagee" includes a trustee, if applicable.

If the Coverage A insurance is provided for a mobile home, the term "mortgagee" includes a lienholder.

9. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

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SECTION II - LOSSES WE COVER

COVERAGE F - PERSONAL LIABILITY

Agreement. We will pay all sums for **bodily injury** and **property damage** to others for which the law holds **you** responsible because of an **occurrence** to which this coverage applies. This includes prejudgment interest awarded against **you**.

We will defend **you**, at **our** expense with counsel of **our** choice, against any suit seeking these damages. We may investigate, negotiate, or settle any suit. We are not obligated to defend any claim or suit seeking damages not covered under this policy.

We are not obligated to pay any judgment or defend any suit if we have already exhausted the limit of liability set forth in the Declarations by paying judgments or settlements.

Limit of Liability. The limit of liability shown in the Declarations for "each occurrence" is the maximum we will pay for all damages as a result of any one **occurrence**.

COVERAGE G - MEDICAL PAYMENTS TO OTHERS

Agreement. We will pay the reasonable **medical expenses** that are incurred or medically ascertained within three years from the date of the accident causing **bodily injury**. This coverage does not apply to **you**. This coverage does apply to others who sustain **bodily injury** as a result of an accident, while they are:

1. on the **insured premises** with **your** permission; or
2. off the **insured premises**, if the **bodily injury**:
 - a. arises out of a condition on the **insured premises** or immediately adjoining ways;
 - b. is caused by **your** activities;
 - c. is caused by an animal owned by **you** or in **your** care;
 - d. is caused by a **residence employee** arising out of and in the course of employment by **you**; or
 - e. is sustained by any **residence employee** arising out of and in the course of employment by **you**.

Limit of Liability. The limit of liability shown in the Declarations for "each person" is the maximum we will pay to any one person as a result of any one accident.

Our Payment of Loss. We may pay the injured person or the provider of the medical services. Such payment is not an admission of liability by **you** or **us**.

SECTION II - LOSSES WE DO NOT COVER

COVERAGE F - PERSONAL LIABILITY AND COVERAGE G - MEDICAL PAYMENTS TO OTHERS

1. **Intentional Loss.** We do not cover **bodily injury** or **property damage** which is reasonably expected or intended by **you** or which is the result of **your** intentional and criminal acts or omissions. This exclusion is applicable even if:
 - A. **you** lack the mental capacity to govern **your** conduct;
 - B. such **bodily injury** or **property damage** is of a different kind or degree than reasonably expected or intended by **you**; or
 - C. such **bodily injury** or **property damage** is sustained by a different person than expected or intended by **you**. This exclusion applies regardless of whether **you** are actually charged with or convicted of a crime. However, this exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force by **you** to protect persons or property.

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2. Pollution

We do not cover **bodily injury or property damage**:

- A. resulting from the discharge, dispersal, release or escape of toxic chemicals and other pollutants or contaminants;
- B. resulting from the discharge, dispersal, release or escape of fuel oil and other petroleum products;
- C. resulting from electrical or magnetic emissions, whether visible or invisible, and sound emissions;
- D. liability, whether or not statutorily imposed, resulting from the discharge, dispersal, release or escape of toxic chemicals and other pollutants or contaminants; fuel oil and other petroleum products; or electrical, magnetic or sound emissions; or
- E. resulting from the failure to disclose the existence, whether known or unknown, on an **insured premises** of toxic chemicals and other pollutants or contaminants; fuel oil and other petroleum products; or electrical, magnetic or sound emissions.

3. Lead Exposure

A. We do not cover damages arising out of **bodily injury** caused by or resulting from ingestion, poisoning or exposure to lead.

B. We do not cover damages arising out of **property damage** resulting from:

- 1. lead;
- 2. property containing lead;
- 3. soil, or earth containing lead;
- 4. water, pipes or plumbing containing lead;
- 5. paint, putty, dust or plaster containing lead; or
- 6. any other product or substance containing lead;

arising out of the existence, use, possession or occupancy of the **insured premises** or any property owned, rented or controlled by **you**, including the private structures and private approaches.

C. We do not cover damages arising out of **property damage** and any costs or expenses or loss incurred as a result of any governmental directive, law, regulation, request, requirement or mandate to remove, clean up, test, monitor, abate, contain, neutralize or treat:

- 1. lead;
- 2. property containing lead;
- 3. soil, or earth containing lead;
- 4. water, pipes or plumbing containing lead;
- 5. paint, putty, dust or plaster containing lead; or
- 6. any other product or substance containing lead;

arising out of the existence, use, possession or occupancy of the **insured premises** or any property owned, rented or controlled by **you**, including the private structures and private approaches.

D. We do not cover damages arising out of **bodily injury or property damage** resulting from the failure to disclose the existence, whether known or unknown, on an **insured premises** of:

- 1. lead;
- 2. property containing lead;
- 3. soil, or earth containing lead;
- 4. water, pipes or plumbing containing lead;
- 5. paint, putty, dust or plaster containing lead; or
- 6. any other product or substance containing lead.

4. **Business.** We do not cover **bodily injury or property damage** arising out of or in connection with **your business** activities. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the **business**.

With respect to **COVERAGE F - PERSONAL LIABILITY**, this exclusion does not apply to **your** occasional or part-time **business** activities if **you** are under 19 years of age or a full-time student under 21 years of age.

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If the **residence premises** is shown in the Declarations as a 2, 3 or 4 family dwelling, this exclusion does not apply to the portions that are rented by **you** to others or held for rental by **you** to others for use only as a residence.

5. **Care of Persons.** We do not cover **your** legal liability to any person resulting from **your** regular care of one or more persons anywhere for economic gain and regardless of whether such care or premises is licensed or not. The mutual exchange of home day care services is not considered to be for economic gain. This exclusion does not apply to **your** occasional care or babysitting.
6. **Professional Services.** We do not cover **bodily injury** or **property damage** arising out of the rendering of or failing to render professional services of any kind.
7. **Other Premises.** We do not cover **bodily injury** or **property damage** arising out of the use of any premises owned, rented or controlled by **you**. Coverage does apply to:
 - A. the **insured premises**; and
 - B. **bodily injury to a residence employee**.
8. **Motorized Land Vehicles.** We do not cover **bodily injury** or **property damage** arising out of:
 - A. the ownership, maintenance, occupancy, operation, use, loading or unloading of a motorized land vehicle or trailer owned or operated by or rented or loaned to **you**;
 - B. the entrustment by **you** of a motorized land vehicle or trailer to any person;
 - C. the failure to supervise or negligent supervision by **you** of any person involving a motorized land vehicle or trailer; or
 - D. vicarious liability, whether or not imposed by law, for the actions of a child or minor involving a motorized land vehicle or trailer.

Coverage is extended for **bodily injury** and **property damage** arising out of:

- a. a motorized land vehicle or trailer in dead storage on the **insured premises**;
- b. a motorized land vehicle used exclusively on the **insured premises**;
- c. a trailer while not being towed or carried by a motor vehicle;
- d. a motorized land vehicle, owned by **you**, principally designed for recreational use off public roads, and not subject to motor vehicle registration, while on an **insured premises**;
- e. a motorized land vehicle, not owned by **you**, principally designed for recreational use off public roads, and not subject to motor vehicle registration;
- f. a motorized land vehicle principally designed to service residential property;
- g. a motorized wheel chair; or
- h. a motorized golf cart:
 - 1) while used to play golf on a golf course including crossing public roads at designated points to access other parts of the golfing facility; or
 - 2) when operated within the legal boundaries of a private residential community which is subject to the authority of a property owners association and contains the **insured premises**, including its public roads upon which a motorized golf cart can legally travel.

Coverage is extended for **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by **you**.

9. **Watercraft.** We do not cover **bodily injury** or **property damage** arising out of:
 - A. the ownership, maintenance, occupancy, operation, use, loading or unloading of watercraft of any type owned or operated by or rented or loaned to **you**;
 - B. the entrustment by **you** of a watercraft of any type to any person;
 - C. the failure to supervise or negligent supervision by **you** of any person involving a watercraft of any type; or
 - D. vicarious liability, whether or not imposed by law, for the actions of a child or minor involving a watercraft of any type.

Coverage is extended for **bodily injury** and **property damage** arising out of:

- a. any watercraft on the **insured premises**;

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- b. any watercraft while stored;
- c. watercraft, owned or furnished or available for **your** regular use:
 - 1) that is powered by one or more motors with 50 total horsepower or less. This includes watercraft propelled by a water jet pump engine or motor; or
 - 2) that is a sailing vessel 31 feet and under in length with or without auxiliary power; or
- d. rented watercraft:
 - 1) powered by one or more outboard motors;
 - 2) with an inboard or inboard-outdrive motor with 50 horsepower or less. This includes watercraft propelled by a water jet pump engine or motor; or
 - 3) that is a sailing vessel 31 feet and under in length with or without auxiliary power; or
- e. watercraft not owned by **you**, not rented to **you** nor furnished or available for **your** regular use.

This coverage is excess coverage over and above any other collectible insurance.

Coverage is extended for **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by **you**.

10. Hovercraft. We do not cover bodily injury or property damage arising out of:

- A. the ownership, maintenance, occupancy, operation, use, or loading or unloading of a hovercraft owned or operated by or rented or loaned to **you**;
- B. the entrustment by **you** of a hovercraft to any person;
- C. the failure to supervise or negligent supervision by **you** of any person involving a hovercraft; or
- D. vicarious liability, whether or not imposed by law, for the actions of a child or minor involving a hovercraft.

Coverage is extended for **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by **you**, except while engaged in the operation or maintenance of hovercraft.

Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.

11. Aircraft. We do not cover bodily injury or property damage arising out of:

- A. the ownership, maintenance, occupancy, operation, use, or loading or unloading of an aircraft owned or operated by or rented or loaned to **you**;
- B. the entrustment by **you** of an aircraft to any person;
- C. the failure to supervise or negligent supervision by **you** of any person involving an aircraft; or
- D. vicarious liability, whether or not imposed by law, for the actions of a child or minor involving an aircraft.

Coverage is extended for **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by **you**, except while engaged in the operation or maintenance of aircraft.

12. War. We do not cover bodily injury or property damage caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed to be a warlike act even if accidental.

13. Injury of an Insured. We do not cover bodily injury to any insured within the meaning of Part 1 of the definition of **you**. This exclusion applies regardless of whether claim is made or suit is brought against **you** by the injured person or by a third party seeking contribution or indemnity.

14. Controlled Substance. We do not cover bodily injury or property damage arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance, as defined by the Federal Food and Drug Law, Act 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substance includes, but is not limited to, cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

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15. Fungus and Mold

- A. We do not cover **bodily injury or property damage** directly or indirectly caused by or resulting from inhalation, ingestion, existence or exposure to **fungus and mold**. However, we do cover **bodily injury** to the extent that **fungus and mold** are on or are contained in a good or product intended for consumption.
- B. We do not cover damages arising out of **property damage** and any costs or expenses or loss incurred as a result of any government directive, law, regulation, request, requirement or mandate to remove, clean up, test, monitor, abate, contain, neutralize or treat **fungus and mold**.
- C. We do not cover **bodily injury or property damage** caused by or resulting from **your** failure to disclose the existence, known or unknown, on an **insured premises** of **fungus and mold**.

This exclusion applies regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to the injury or damage.

16. Failure to Disclose. We do not cover **bodily injury or property damage** caused by or resulting from your failure to disclose any condition of property, whether known or unknown, sold to a buyer of the residence premises.

17. Communicable Disease. We do not cover **bodily injury** caused by or resulting from any of the following which are transmitted by **you** to any other person: disease, bacteria, parasite, virus or other organism. Furthermore, we do not cover **bodily injury** resulting from the exposure to any such disease, bacteria, parasite, virus or other organism by **you** to any other person.

18. Abuse. We do not cover **bodily injury** caused by or resulting from the actual, alleged or threatened sexual molestation or contact, corporal punishment, physical abuse, mental abuse or emotional abuse of a person. This exclusion applies whether the **bodily injury** is inflicted by **you** or directed by **you** for another person to inflict sexual molestation or contact, corporal punishment, physical abuse, mental abuse or emotional abuse upon a person.

19. Emotional and Mental Anguish. We do not cover **bodily injury** caused by or resulting from emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury. However, this exclusion does not apply if the person seeking damages from emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury has first experienced direct physical harm.

COVERAGE F - PERSONAL LIABILITY

1. **Loss Assessment.** We do not cover liability for **your** share of any loss assessment charged against all members of an association, corporation or community of property owners, except as specifically provided in **SECTION II - ADDITIONAL COVERAGES** for **Loss Assessment**.
2. **Contract.** We do not cover liability assumed by **you** under any unwritten contract or agreement, or by any contract or agreement in connection with **your business**.
3. **Owned Property.** We do not cover **property damage** to property owned by **you**. This includes costs or expenses incurred by **you** or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an **insured premises**.
4. **Care, Custody or Control.** We do not cover **property damage** to property occupied or used by **you**, rented to **you**, in **your care** or over which **you** have physical control. However, coverage is extended for:
 - A. **property damage** caused by fire, explosion or smoke; or
 - B. **property damage** arising out of the ownership, maintenance or use of a waterbed at the **residence premises**. A waterbed is a bed with a liner and a liquid filled sealed mattress. However, we do not cover:
 1. property owned by **you**; or
 2. **property damage** caused by sagging or collapse of the floor if it is determined that the building construction does not conform to government building codes.
5. **Nuclear.** We do not cover **bodily injury or property damage** for which **you** are insured under any nuclear energy liability policy or would be insured but for the exhaustion of its limit of liability.
6. **Workers Compensation Law.** We do not cover **bodily injury** to any person eligible to receive benefits required to be provided or voluntarily provided by **you** under any workers compensation, non-occupational disability or occupational disease law.
7. **Punitive.** We do not cover **bodily injury or property damage** awards designated as punitive, exemplary, or

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- statutory multiple damages.
8. **Computer Systems and Data.** We do not cover property damage resulting from any error, virus or malicious entry in computer programming, instructions or code introduced or transmitted by **you** into any data, computer, peripheral device, media or purchased software.

COVERAGE G - MEDICAL PAYMENTS TO OTHERS

1. **Residence Employee.** We do not cover bodily injury to a resident employee if the bodily injury occurs off the insured premises and does not arise out of or in the course of the residence employee's employment by you.
2. **Nuclear.** We do not cover bodily injury from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
3. **Residents.** We do not cover bodily injury to any regular resident of the insured premises, except your residence employee.
4. **Workers Compensation Law.** We do not cover bodily injury to any person eligible to receive benefits required to be provided or voluntarily provided under any workers compensation, non-occupational disability or occupational disease law.

SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability for COVERAGE F - PERSONAL LIABILITY or COVERAGE G - MEDICAL PAYMENTS TO OTHERS.

1. Damage to Property of Others

We will pay up to \$500 each time **you** cause property damage to someone else's property during the term of the policy. At our option, we will pay the cost to either repair or replace the damaged property.

We do not cover property damage:

- A. to property covered in Section I of this policy;
- B. caused intentionally by **you** if **you** are 13 years of age or older;
- C. to property owned by or rented to **you**, any of your tenants or any resident of your household; or
- D. arising out of:
 1. any act or omission in connection with premises **you** own, rent or control, other than the insured premises;
 2. business activities; or
 3. the ownership, maintenance, occupancy, operation, use, loading or unloading of any motorized land vehicle, aircraft, hovercraft or watercraft of any type.

However, we cover property damage to property of others arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading of:

- a. a motorized land vehicle or trailer in dead storage on the insured premises;
- b. a motorized land vehicle used exclusively on the insured premises;
- c. a trailer while not being towed or carried by a motor vehicle;
- d. a motorized land vehicle, owned by **you**, principally designed for recreational use off public roads, and not subject to motor vehicle registration, while on an insured premises;
- e. a motorized land vehicle, not owned by **you**, principally designed for recreational use off public roads, and not subject to motor vehicle registration;
- f. a motorized land vehicle principally designed to service residential property;
- g. a motorized wheel chair; or
- h. a motorized golf cart:
 - 1) while used to play golf on a golf course including crossing public roads at designated points to access other parts of the golfing facility; or
 - 2) when operated within the legal boundaries of a private residential community which is subject to the authority of a property owners association and contains the insured premises, including its public roads upon which a motorized golf cart can legally travel.

2. **Claim Expenses.** We will pay:

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- A. all costs we incur and costs taxed against you in any suit we defend;
 - B. premiums on bonds required in any suit we defend, but not for bond amounts greater than the limit of liability for COVERAGE F - PERSONAL LIABILITY. We are not obligated to apply for or furnish any bonds;
 - C. reasonable expenses you incur at our request;
 - D. up to \$200 per day for lost wages or salary, but not other income, because you attended a hearing or trial at our request; and
 - E. interest on the entire judgment awarded in any suit we defend which accrues after judgment is entered and before we pay, tender or deposit in court the amount for which we are liable under this policy.
3. **First Aid Expenses.** We will pay expenses for first aid to others you incur at the time of the accident for bodily injury to which this insurance applies. We will not pay for first aid to you.
4. **Loss Assessment.** We will pay up to \$1000 for your share of any loss assessment charged during the policy period against you by a corporation or association of property owners. This coverage applies only to loss assessments charged against you as owner or tenant of the insured premises.

If a limit of liability is shown in the Declarations for Increased Loss Assessment, the \$1000 limit is increased to amount shown.

This only applies when the assessment is made as a result of:

- A. each occurrence to which Section II of this policy would apply; or
- B. liability for each act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - 1. the director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - 2. the director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

SPECIAL LIMIT - We will not pay more than \$1000 of your assessment that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.

Regardless of the number of assessments, the limit referenced above is the most we will pay for loss arising out of:

- a. one accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. a covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

This coverage shall be excess over any other insurance covering the corporation or association of property owners.

We will pay only when the assessment exceeds \$250 and then only for the amount of such excess. This coverage is not subject to any deductible contained in Section I of this policy.

We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II - CONDITIONS

1. **Your Duties in the Event of an Accidental Loss.** In the event of an occurrence or offense, we have no obligation to provide coverage under this policy if you fail to comply with the following duties.
 - A. Promptly notify us or our representative, in writing, stating:
 1. your name and policy number;
 2. the date, place and circumstances of the accident;
 3. the name and address of anyone who might have a claim against you; and
 4. the names and addresses of any witnesses.

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- B. Immediately send **us** any legal papers relating to the accident.
 - C. At **our** request, you must:
 - 1. cooperate with **us** and assist **us** in any matter concerning a claim or suit;
 - 2. help **us** enforce any right of recovery against any person or organization who may be liable to **you**;
 - 3. attend any hearing or trial; and
 - 4. help **us** in collecting and giving evidence and obtaining the attendance of witnesses.
 - D. Under **Damage to Property of Others** in **SECTION II - ADDITIONAL COVERAGES**, give **us** a sworn statement of the loss within 60 days after the loss. Also, be prepared to show us any damaged property under **your** control.
 - E. **You** must not voluntarily pay any money, assume any obligations, or incur any expenses, other than for first aid to others at the time of the loss as provided for in this policy.
2. **What an Injured Person Must Do Under Coverage G - Medical Payments to Others.** The injured person, or someone acting for that person, must do the following.
- A. Promptly give **us** written proof of the claim. If **we** request, this must be done under oath.
 - B. Give **us** written authorization to obtain copies of all medical records and reports.
 - C. Permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

OPTIONAL COVERAGES

The following coverages are afforded only if indicated in the Declarations. They are subject to all other provisions of this policy, except as modified herein.

EARTHQUAKE AND VOLCANIC ERUPTION

1. **We** will pay for direct physical loss to the property described in Coverages A, B and C caused by Earthquake or Volcanic Eruption.

One or more earthquake shocks that occur within a seventy-two hour period shall constitute a single earthquake. One or more volcanic eruptions that occur within a seventy-two hour period shall constitute a single volcanic eruption.

We do not pay for loss resulting directly or indirectly by flood or tidal wave, whether caused by, resulting from, contributed to or aggravated by earthquake or volcanic eruption.

This coverage does not increase the limits of liability stated in this policy.

2. Under **SECTION I - ADDITIONAL COVERAGES, Collapse**, **we** will also pay for sudden and accidental direct physical loss to covered property involving the entire collapse of a building or any part of a building caused by earthquake or volcanic eruption.
3. Under **SECTION I - LOSSES WE DO NOT COVER**, item 1.E. **Earth Movement**, is amended to delete earthquake, earthquake aftershocks, volcanic eruption and volcanic effusion. All other provisions of this exclusion remain in effect.
4. **Deductible.** **We** will pay only that part of the loss caused by earthquake or volcanic eruption over the deductible shown in the Declarations for Earthquake and Volcanic Eruption. The deductible amount shall apply to loss separately for each coverage that applies to the damaged property under **COVERAGE A - DWELLING**, **COVERAGE B - PRIVATE STRUCTURES** and **COVERAGE C - PERSONAL PROPERTY**. This deductible amount shall not be less than \$250 in any one loss.

If the deductible shown in the Declarations for Earthquake and Volcanic Eruption is a percentage (%), the dollar amount of the deductible is determined by multiplying the deductible percentage (%) shown by the amount of insurance for Coverage A, B or C separately for each coverage that applies to the damaged property.

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5. **Masonry Veneer Damage Exclusion.** The following exclusion applies only when indicated in the Declarations. We do not cover loss to exterior masonry veneer of the property described in Coverages A and B resulting from or caused by earthquake or volcanic eruption. The deductible shown in the Declarations for Earthquake and Volcanic Eruption applies to loss not including damage to exterior masonry veneer. The use of the term "masonry veneer" above does not include stucco.

HOME COMPUTER

Coverage is afforded only if indicated in the Declarations.

This coverage applies in lieu of, and not in addition to, the coverage afforded for **computers, peripheral devices, media and purchased software** under Section I, **COVERAGE C - PERSONAL PROPERTY**.

We will pay for sudden and accidental physical loss to **your owned computer, your owned peripheral device, your owned media and your purchased software** except as excluded below.

The use of the word "owned" above includes a **computer, peripheral device and media** actually owned by **your employer** but leased or loaned to **you** for **your** use at home. This coverage is excess over any valid and collectible insurance written in the name of the actual owner of the property.

Deductible. We will pay only that part of the loss that exceeds the deductible amount shown in the Declarations for this coverage. This deductible applies separately to each loss.

Losses We Do Not Cover

1. We do not cover loss or damage to the property which results directly or indirectly from:
 - A. wear and tear;
 - B. gradual deterioration;
 - C. depreciation;
 - D. insects or vermin;
 - E. corrosion, rust, dampness, dryness, cold or heat;
 - F. **fungus and mold;**
 - G. mechanical breakdown;
 - H. faulty construction;
 - I. an original defect in the property; or
 - J. error, omission or deficiency in design, specifications, workmanship or materials.
2. We do not cover an error in **computer** programming or instructions to the **computer**.
3. We do not cover intentional loss, meaning any loss arising out of any intentional or criminal act committed:
 - A. by **you** or at **your** direction; and
 - B. with the intent to cause a loss.

This exclusion applies regardless of whether **you** are actually charged with or convicted of a crime.
This exclusion does not apply to an insured person not participating in the intentional loss.
4. We do not cover dishonest acts by **you**, anyone else with an interest in the property or **your** or their employees or agents, whether or not occurring during the hours of employment. Nor do we insure against dishonest acts by anyone entrusted with the property.
5. We do not cover indirect or consequential loss to the property.
6. We do not cover Neglect, Nuclear Action, Governmental Action and Water Damage as set forth in SECTION I - LOSSES WE DO NOT COVER.

Our limit of liability for loss under this coverage will be the lesser of:

1. the cost of new property of similar make, type, quality, capacity, and size;
2. the reasonable cost of repair with parts of like kind and quality; or
3. the limit of liability as shown for this coverage in the Declarations of this policy.

We reserve the right to repair or replace the damaged property or to pay for this loss in money.

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PRIVATE STRUCTURES RENTED TO OTHERS

Coverage is afforded only if indicated in the Declarations.

COVERAGE B - PRIVATE STRUCTURES is provided for the private structures rented to others described in the Declarations. Our limit of liability under Private Structures Rented to Others is the amount shown in the Declarations.

The insurance provided under **COVERAGE F - PERSONAL LIABILITY** and **COVERAGE G - MEDICAL PAYMENTS TO OTHERS** is extended to cover **bodily injury** and **property damage** arising out of the private structure rented to others described in the Declarations.

BUSINESS PURSUITS

Coverage is afforded only if indicated in the Declarations.

The insurance provided in Section II is extended to cover **bodily injury** and **property damage** arising out of the specified **business** activities of the person(s) designated in the Declarations.

Losses We Do Not Cover

1. We do not cover **bodily injury** and **property damage** arising out of **business** activities when the **business** is owned or financially controlled by **you** or by a partnership or joint venture of which **you** are a partner or member.
2. We do not cover **bodily injury** and **property damage** arising out of the rendering or failure to render a professional service, other than teaching or school administration.
3. We do not cover **bodily injury** to your fellow employee arising in the course of employment.
4. We do not cover **your** legal liability to any person resulting from **your** regular care of one or more persons anywhere for economic gain and regardless of whether such care or premises is licensed or not. The mutual exchange of home day care services is not considered to be for economic gain. This exclusion does not apply to **your** occasional care or babysitting.
5. When **you** are a member of the faculty or teaching staff of any school or college, we do not cover **bodily injury** and **property damage** arising out of: (a) the ownership, maintenance, occupancy, operation, use, loading, unloading of; (b) entrustment by **you** to any person of; or (c) the failure to supervise or negligent supervision of any person involving:
 - A. draft or saddle animals, including vehicles used with them;
 - B. aircraft;
 - C. hovercraft. Hovercraft means a self-propelled motorized ground effect vehicle and includes but is not limited to, flarecraft and air cushion vehicles;
 - D. motorized land vehicles or trailers; or
 - E. watercraft of any type;that are owned, hired or operated by or for **you** or **your** employer or used by **you** for the purpose of instruction.
6. When **you** are a member of the faculty or teaching staff of any school or college, we do not cover **bodily injury** to any pupil arising out of corporal punishment administered by **you** or at **your** direction.

WATERCRAFT LIABILITY

Coverage is afforded only if indicated in the Declarations.

The insurance provided under **COVERAGE F - PERSONAL LIABILITY** and **COVERAGE G - MEDICAL PAYMENTS TO OTHERS** is extended to cover **bodily injury** and **property damage** arising out of a watercraft described in the Declarations.

Losses We Do Not Cover

1. We do not cover **bodily injury** to any of **your** employees arising out of and in the course of employment. This exclusion applies only if the employee's principal duties are in connection with the maintenance or operation of such watercraft.
2. We do not cover such watercraft while it is used to carry persons or cargo for a charge or it is rented to others.
3. We do not cover **bodily injury** or **property damage** resulting from an **occurrence** in which a watercraft is being

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operated in, or practicing for, any prearranged or organized race, speed contest or other competition. However, coverage is extended when **your** watercraft described in the Declarations is: (a) a sailing vessel; (b) in a predicted-log cruise; or (c) in a timed fishing contest or tournament.

INCIDENTAL BUSINESS OCCUPANCY BY YOU

Coverage is afforded only if indicated in the Declarations.

The coverage provided by this option applies only to the incidental **business** occupancy described in the Declarations.

If the **business** occupancy described in the Declarations is located in a private structure on the **residence premises**, **COVERAGE B - PRIVATE STRUCTURES** applies to such structure.

The limit of **COVERAGE C - PERSONAL PROPERTY** applies to equipment, supplies and furnishings usual or incidental to the **business** described in the Declarations while located in the structure described in the Declarations. This limit is in lieu of that provided under the special limitation applying to **Business Property** under **COVERAGE C - PERSONAL PROPERTY**.

This does not include any **computer** and the **peripheral device, media** or **purchased software** used with it. This also does not include merchandise held as samples or for sale or delivery after a sale.

The insurance provided under **COVERAGE F - PERSONAL LIABILITY** and **COVERAGE G - MEDICAL PAYMENTS TO OTHERS** is extended to afford coverage for **bodily injury** and **property damage** arising out of **your business activities** which are usual or incidental to the use of the **residence premises**.

Losses We Do Not Cover

1. **We do not cover bodily injury to any employee other than a **residence employee**;**
2. **We do not cover bodily injury to any student arising out of corporal punishment administered by **you** or at **your direction**;**
3. **We do not cover liability arising out of any acts, omissions or errors of **you** or any other person for whose acts **you** are liable, resulting from the preparation or approval of data, plans, designs, opinions, reports, programs, specification, supervisory inspections or engineering services in the conduct of **your incidental business** involving data processing, **computer consulting** or **computer programming**; or**
4. **We do not cover **your** legal liability to any person resulting from **your** regular care of one or more persons anywhere for economic gain and regardless of whether such care or premises is licensed or not. The mutual exchange of home day care services is not considered to be for economic gain. This exclusion does not apply to **your** occasional care or babysitting.**

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GENERAL CONDITIONS

1. **Policy Period.** This policy applies only to accidental loss in Section I or bodily injury and property damage in Section II, which occurs during the policy period.
2. **Concealment or Fraud.** If any person defined as **you** conceals or misrepresents any material fact or circumstance or makes any material false statement or engages in fraudulent conduct affecting any matter relating to this insurance or any loss for which coverage is sought, whether before or after a loss, no coverage is provided under this policy to any person defined as **you**.
3. **Conformity to Statute.** The terms of this policy which are in conflict with the statutes of the state in which the **insured premises** is located are hereby amended to conform to such statutes.
4. **Death.** If any person named in the Declarations dies, **we** insure:
 - A. the spouse, if a resident of the household at the time of death;
 - B. the legal representative of the deceased, but only with respect to the premises and property of the deceased covered by this policy at the time of death;
 - C. any member of the deceased's household who was covered at the time of death, but only while a resident of the **insured premises**; and
 - D. with respect to the property of the deceased, the person having proper temporary custody thereof, but only until appointment and qualification of a legal representative.
5. **Policy Changes**
 - A. This policy contains all of the agreements between **you** and **us**. The terms of this policy may not be changed or waived except by endorsement issued by **us**. Our request for an appraisal or examination under oath will not waive any of our rights.
 - B. We will automatically give **you** the benefit of any extension or broadening of this edition of the policy if:
 1. the change does not require additional premiums; and
 2. the change is not implemented with a general revision that includes both the broadening and restriction of coverage.
6. **Assignment.** You may not assign this policy to another person without our written consent.
7. **Bankruptcy or Insolvency.** Your bankruptcy or insolvency will not relieve **us** of any obligation under this policy.
8. **Our Recovery Right.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, **you** must sign and deliver all related papers and cooperate with **us**.

This does not apply under Section II to **COVERAGE G - MEDICAL PAYMENTS TO OTHERS** or under **SECTION II - ADDITIONAL COVERAGES** to Damage to Property of Others.

9. **Lawsuits Against Us.** No suit or action may be brought against **us** by **you** unless there has been full compliance with all of the policy terms.

Under Section I of this policy, any suit or action seeking coverage must be brought within twelve months of the loss.

Under Section II of this policy, no one may sue **us** until the amount of legal liability has been finally determined either by judgment after trial or by written agreement of **you**, the injured person and **us**.

No one shall have any right to make **us** a party to a suit to determine **your** liability.

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- 10. Other Insurance and Service Agreement.** If other insurance is available to **you** for a loss covered under Section I of this policy, we will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, this insurance is excess over any other insurance that covers loss by theft or loss of personal property on an unspecified peril basis.

If a loss covered under Section I of this policy is also covered by a service agreement available to **you**, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

If other insurance is available to **you** for a loss covered under COVERAGE F - PERSONAL LIABILITY of this policy, this insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

- 11. Premium.** All premiums for this policy will be computed in accordance with our rules, rates, rating plans, premiums and minimum premiums in effect at the beginning of your current policy period. Each year, the premium for renewal of this policy will be computed on the basis of our manuals then in use for the effective date of the renewal of the policy.

The premiums we charge are based on the information provided by **you** on your application and other information we possess. You agree to help us obtain correct and complete information. We are permitted to adjust your premiums when this information changes.

Any premium adjustments made for any reason will be rounded to the nearest dollar, in accordance with the manuals in use by us. Any change which results in premium adjustment of less than \$2.00 will be carried forward to the next billing as long as the policy remains active.

Premiums are payable on the dates set forth by us.

12. Cancellation

You may cancel this policy by telling us on what future date you wish to stop coverage. If you cancel your policy, the earned premium may be computed in accordance with our short rate method.

We may cancel this policy by delivering to **you** or by mailing to **you**, at your last known address shown on our records, notice stating when such cancellation will be effective. In any case of termination of this policy by us, our mailing of notice will constitute proof of notice as of the date we mail it. We will comply with any law relating to the termination of this policy which contains different requirements. If we cancel your policy, the earned premium will be computed pro-rata and the returned premium shall be rounded to the nearest dollar. The refund will be made as soon as practicable after cancellation becomes effective, but payment or tender of unearned premiums is not a condition of cancellation.

- A. This notice will be mailed to **you** not less than the minimum number of days required by state law if **you** have not paid your premium when it is due.
- B. This notice will be mailed to **you** not less than 20 days prior to the effective date of cancellation if this policy has been in effect less than 60 days, and is not a renewal with us, at the time notice of cancellation is mailed.
- C. This notice will be mailed to **you** not less than 20 days prior to the effective date of cancellation if this policy has been in effect for 60 days or more, or if the policy is a renewal with us, and any one of the following conditions exist:
 1. the policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of facts pertinent to acceptance by us;
 2. there has been a substantial change in the covered property which increased the hazards we originally agreed to insure;
 3. there have been willful or negligent acts or omissions by **you** which increased the hazards we originally agreed to insure;

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4. continuation of the policy would be in violation of the law; or
5. any person defined as **you** conceals or misrepresents any material fact or circumstance or engages in any fraudulent conduct in making a claim under this policy.

13. Nonrenewal. We may elect not to renew this policy. We may do so by delivering to **you**, or mailing to **you** at **your** mailing address shown in the Declarations, written notice at least 30 days before the renewal date of this policy. Proof of mailing will be sufficient proof of notice.

If we offer to renew or continue and **you** do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuous premium when due will mean that **you** have not accepted our offer.

In Witness Whereof, we have caused this policy to be signed by our President and our Secretary at Warwick, Rhode Island. In the event that the President or Secretary who signed this contract cease to be our officers either before or after the contract is issued, the contract may be issued with the same effect as if they were still our officers.



Secretary



President

ENDORSEMENT HA01MI 0610

MICHIGAN AMENDATORY ENDORSEMENT

1. Under **GENERAL DEFINITIONS**, item 1. of "You" and "Your" is deleted and replaced by:

1. the person or persons named in the Declarations and if a resident of the same household:
 - A. the spouse of such person or persons.
 - B. the relatives of either.
 - C. any other person under the age of twenty-one in the care of any of the above.

Note: A spouse is considered to be a resident of the household when there is a legitimate marital covenant, shared economic and non-economic burdens, and legitimate reasons for the spouses to be staying in another home or location.

2. Under **SECTION I - LOSSES WE DO NOT COVER**, item 1.A. **Intentional Loss**, is deleted and replaced by:

A. **Intentional Loss.**

Means any loss arising out of any intentional act or criminal act committed by **you** or at **your** direction and with the intent to cause a loss.

This exclusion applies regardless of whether **you** are actually charged with or convicted of a crime.

For **us** to establish a criminal act or omission for purposes of this exclusion by other than a criminal conviction, **we** must independently prove beyond a reasonable doubt that **you** committed such a criminal act or omission.

When this exclusion applies no one defined as **you** or **your** is entitled to coverage. This includes people defined as **you** or **your** who did not commit or conspire to commit the act causing the loss.

We will cover loss caused by fire, for any person defined as "**you**" who does not commit or conspire to commit the act that results in the loss by fire. **We** will cover such insured person only to the extent of that person's legal interest but not more than the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

3. In Forms HP4040 and HP4041, under **SECTION I - HOW WE SETTLE A PROPERTY LOSS**, item 1. **Coverage A - Dwelling and Coverage B - Private Structures**:

A. item A.3. is deleted and replaced by:

3. If **you** do not repair or replace a building insured under Coverage A or B at the same location and intended for the same occupancy and use, **we** will pay no more than the **actual cash value** at the time of loss of the damaged or destroyed building(s) exclusive of the land value.

B. the following is added to item B.:

Functional replacement cost means the cost to repair or replace the damaged covered property with construction materials or methods of construction that are functionally equivalent in condition and appearance to the original construction of the damaged covered property.

4. Under **SECTION I - CONDITIONS**:

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- A. item 3. Our Settlement Options is deleted and replaced by:
3. **Our Settlement Options.** We will adjust all losses with **you**. We will pay **you** unless another payee is named in the policy. We will pay within 30 days after the amount of the loss is agreed upon. This amount may be determined by an agreement between **you** and **us**, an appraisal award or entry of a final judgment, subject to SECTION I - HOW WE SETTLE A PROPERTY LOSS.

We have the option of taking all or part of the property at the agreed or appraised value. We have the option to repair, rebuild or replace the damaged or destroyed property with property of like kind and quality within a reasonable time. We must give **you** notice of our intention within 30 days after we receive your signed, sworn proof of loss.

If a municipality has elected to apply the provisions of Michigan Public Act 217 of 1998, a portion of our payment for loss to insured real property in that municipality due to fire, explosion, windstorm or hail, vandalism or malicious mischief or riot or civil commotion will be withheld in the event that the loss is subject to the provisions of the Act. We will pay the withheld amount either to the municipality, a licensed contractor performing services on the insured property, or to you and the mortgagee, if any, according to the provisions of Public Act 217. We will notify **you**, any mortgagee and the municipality of any loss subject to the provisions of Public Act 217.

- B. item 7. Appraisal, the first paragraph is deleted and replaced by:

If **you** and **we** fail to agree on the amount of loss, either **you** or **we** can make a written demand for an appraisal of the loss. Each party will select a competent appraiser and notify the other within 20 days of the appraiser's identity. The two appraisers will select a competent and impartial umpire.

If the two appraisers are unable to select an umpire within 15 days, **you** or **we** can request that the choice of an umpire be made by a judge of the circuit court for the county in which the loss occurred or where the **residence premises** is located.

- C. the following is added to item 8. Rights and Duties of Mortgagee:

If a municipality has elected to apply the provisions of Michigan Public Act 217 of 1998, a portion of our payment for loss to insured real property in that municipality due to fire, explosion, windstorm or hail, vandalism or malicious mischief or riot or civil commotion will be withheld in the event that the loss is subject to the provisions of the Act. We will pay the withheld amount either to the municipality, a licensed contractor performing services on the insured property, or to **you** and the mortgagee, if any, according to the provisions of Public Act 217. We will notify **you**, any mortgagee and the municipality of any loss subject to the provisions of Public Act 217.

5. Under SECTION II - LOSSES WE COVER, COVERAGE F - PERSONAL LIABILITY, Agreement, the sentence "This includes prejudgment interest awarded against **you**." is deleted from the first paragraph.
6. Under SECTION II - LOSSES WE DO NOT COVER, COVERAGE F - PERSONAL LIABILITY AND COVERAGE G - MEDICAL PAYMENTS TO OTHERS:

- A. the following is added to item 1. Intentional Loss:

However, for **us** to establish a criminal act or omission for purposes of this exclusion by other than a criminal conviction, we must independently prove beyond a reasonable doubt that **you** committed such a criminal act or omission.

- B. the following is added to item 14. Controlled Substance:

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This exclusion does not apply to any person defined as "you" who has no knowledge of the involvement with a controlled substance(s). An insured person's knowledge of such involvement must be shown by us by competent evidence of such knowledge.

7. Under **SECTION II - ADDITIONAL COVERAGES**, the following is added to item 2. **Claim Expenses**:

- F. prejudgment interest awarded against **you** on that part of the judgment we pay.

8. Under **SECTION II - CONDITIONS**, item 1. **Your Duties In The Event Of An Accidental Loss**:

- A. the first paragraph is deleted and replaced by:

Your Duties In The Event Of An Accidental Loss.

In the event of an **occurrence** or offense, we have no obligation to provide coverage under this policy if **you** fail to comply with the following duties. Any notice given by **you** or on **your** behalf to **us** or any of our authorized agents in this state, containing particulars sufficient to identify **you** will be deemed notice to **us**.

- B. item A. is amended by deleting the phrase "in writing".

- C. the following is added to item C.:

5. give **us** a written notification of a loss.

- D. the following is added to item D.:

Failure to submit the statement of loss within 60 days does not invalidate **your** claim, if **you** show that it was not reasonably possible to do so and also show that **you** submitted the statement as soon as reasonably possible;

9. Under **GENERAL CONDITIONS**:

- A. item 2. **Concealment or Fraud** is deleted and replaced by:

2. **Concealment or Fraud**

1. Under Section I of this policy:

A. With respect to loss caused by fire, if any person defined as **you**, conceals or misrepresents any material fact or circumstance or makes any material false statement or engages in fraudulent conduct affecting any matter relating to this insurance or any loss for which coverage is sought no coverage is provided under this policy to that person.

B. With respect to loss caused by a peril other than fire, if any person defined as **you**, conceals or misrepresents any material fact or circumstance or makes any material false statement or engages in fraudulent conduct affecting any matter relating to this insurance or any loss for which coverage is sought no coverage is provided under this policy to any person defined as **you**.

2. Under Section II of this policy, if any person defined as **you**, conceals or misrepresents any material fact or circumstance or makes any material false statement or engages in fraudulent conduct affecting any matter relating to this insurance or any loss for which coverage is sought no coverage is provided under this policy to any person defined as **you**.

- B. item 4. **Death** is deleted and replaced by:

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4. Death

If any person named in the Declarations dies, we insure:

- A.. the spouse, if a resident of the household at the time of death.
- B. the legal representative of the deceased, but only with respect to the premises and property of the deceased covered by this policy at the time of death.
- C. any member of the deceased's household who was covered at the time of death, but only while a resident of the insured premises.
- D. with respect to the property of the deceased, the person having proper temporary custody, but only until appointment of a qualified legal representative.

Note: A spouse is considered to be a resident of the household when there is a legitimate marital covenant, shared economic and non-economic burdens, and legitimate reasons for the spouses to be staying in another home or location.

C. the following is added to item 8. Our Recovery Right:

If we pay you, as an innocent insured person, for a loss caused by another person defined as you who commits, or conspires to commit, any act that results in loss by fire, the rights of the innocent insured person to recover damages from the person who committed, or conspired to commit, such an act are transferred to us to the extent of our payment. The innocent insured person may not waive such rights.

D. item 9. Lawsuits Against Us, is deleted and replaced by:

9. Lawsuits Against Us

No suit or action may be brought against us by you unless there has been full compliance with all of the terms of this policy.

Under Section I of this policy, any suit or action seeking coverage must be brought within twelve months of the loss. The time for commencing an action is tolled from the time you notify us of the loss until we formally deny liability.

Under Section II of this policy, no one may sue us until the amount of legal liability has been finally determined either by judgment after trial or by written agreement of you, the injured person and us.

No one shall have any right to make us a party to a suit to determine your liability.

You are not forbidden from filing a lawsuit against us within the statute of limitations to have any dispute settled by a court of proper jurisdiction when you believe we have not appropriately responded to your requests concerning such proceedings or have acted inappropriately in handling your claim.

E. item 10. Other Insurance and Service Agreement, the third paragraph is deleted and replaced by:

If other insurance is available to you for a loss covered under COVERAGE F - PERSONAL LIABILITY, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for a vehicle or watercraft is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

F. item 12. Cancellation is deleted and replaced by:

12. Cancellation

You may cancel this policy by telling us on what future date you wish to stop coverage.

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We may cancel this policy by delivering to **you** or by mailing to **you**, at your last known address shown on **our** records, notice stating when such cancellation will be effective. In any case of termination of this policy by **us**, **our** mailing of notice will constitute proof of notice as of the date we mail it. We will comply with any law relating to the termination of this policy which contains different requirements.

- A. This notice will be mailed to **you** not less than 10 days prior to the effective date of cancellation if **you** have not paid **your** premium when it is due.
- B. This notice will be mailed to **you** not less than 30 days prior to the effective date of cancellation if the notice of cancellation is mailed within the first 55 days after the initial issuance of this policy, and the policy is not a renewal with **us**.
- C. This notice will be mailed to **you** not less than 30 days prior to the effective date of cancellation if the notice of cancellation is mailed 55 days or more after the initial issuance of this policy, or if the policy is a renewal with **us**, and any one of the following conditions exist:
 1. the policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of facts pertinent to acceptance by **us**.
 2. there has been a substantial change in the covered property which increased the hazards **we** originally agreed to insure.
 3. there have been willful or negligent acts or omissions by **you** which increased the hazards **we** originally agreed to insure.
 4. continuation of the policy would be in violation of the law.

If **you** or **we** cancel **your** policy, the earned premium will be computed pro rata. The minimum earned premium will not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The returned premium shall be rounded to the nearest dollar. The refund will be made as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

All other provisions of the policy apply except as modified by this endorsement.

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IDENTITY THEFT AND CREDIT PROTECTION

Under SECTION I - ADDITIONAL COVERAGES, item 8. Credit Card, Electronic Fund Transfer Card, Forgery and Counterfeit Money is deleted and replaced by:

8. Identity Theft and Credit Protection

- A. Identify Theft Resolution. We will provide, at our expense, a representative of our choice to assist you in resolving issues of unauthorized use of your identity or your credit information. Our obligation under this provision is limited to paying for the services of a representative of our choice. The expense of this assistance will not reduce the amount paid under this coverage.
- B. Credit Card Protection. We will pay up to \$1000 (up to \$10,000 for Platinum policies) for loss:
 - 1. that you are legally required to pay because of the unauthorized use of any credit card or electronic fund transfer card issued to or registered in your name;
 - 2. to you caused by forgery or alteration of any check or negotiable instrument; and
 - 3. to you through acceptance in good faith of counterfeit United States or Canadian paper currency.If Increased Coverage on Credit Card is shown in the Declarations, then the limit is increased to the amount shown.

Exclusion. We will not pay:

- 1. more than the limit of liability stated above. All loss due to forgery or unauthorized use by any one person or in which that person is concerned is considered one loss;
- 2. any loss caused by your dishonesty; or
- 3. any loss resulting from your business activities.

Defense

- A. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.
- B. If a suit is brought against you for liability under the Identity Theft and Credit Protection coverage, we will provide a defense at our expense and by counsel of our choice.
- C. We have the option to defend you or your bank, at our expense, against any suit for the enforcement of payment under the Forgery coverage.